

The NATIONAL UNDERWRITER

December 5, 1959
Year, No. 49

—The National Weekly Newspaper of Life and A&S Insurance—

Second class postage paid at Chicago.
Published weekly (with two extra issues in September) at 175 W. Jackson Blvd., Chicago 4, Illinois.

30¢ a copy
\$7.50 a year

Arden-Freydberg Case Said To Have Many Counterparts

\$15,000 Jury Award Stirs
New Interest In Moves To
Curb By-Passing Of Agent

By ROBERT B. MITCHELL

NEW YORK—The business insurance case that recently resulted in a \$15,000 jury verdict here for the agent lost the sale to the corporation's duly licensed controller is said to be unusual only in that it was taken to court.

News of the verdict in Arden vs. Freydberg has got around, THE NATIONAL UNDERWRITER has been informed of other similar situations, and the impression is that it is not at all common for the agent to miss out all or part of his commission because the buyer becomes conscious of the amount of commission involved and wants it, or as much as can be paid, to go to someone nearer and dearer than the agent.

Is Made Agent

A procedure often used is to have the wife of the president of the corporation licensed as an agent. And sometimes it isn't the corporation at all that is involved but its outside accountant or lawyer, who has an agent's license and is in a position to drive a hard bargain with the agent. The lawyer or accountant can come along placing of the insurance, there is no doubt that the agent can do but it is to sharing commissions—or the agent has nothing to share.

He can complain to the NALU committee on relations with attorneys and accountants, if he thinks it better to do with his time. He has, though. He needs the money to go out and write some more policies to make up for the commissions that were "shared" out of.

There is no use complaining to the insurance department, or course, because usually everything is perfectly legal. True, the New York department has a provision for an agent's license for life and A&S business asks this question: "Has more than 10% of the net commissions received by the agent during the past year or will be received during the next year resulted—(1) from insurance on the person of or (2) from insurance which arises from the estate of applicant's spouse, and of any subsidiary corporations of applicant or her spouse or both own more than 10% of the stock, and of any subsidiary corporations of applicant or her spouse, and of the members of the firm or association and their estates of which firm or association applicant or his spouse is a member?"

Of course the applicant has received a license for life and A&S business (CONTINUED ON PAGE 22)

Ways-Means Panelist Objects To 'Preferential' Tax On Insurance

WASHINGTON—A protest—though a rather discouraged one—against "preferential tax treatment" for persons investing in life insurance was made by Prof. Stanley S. Surrey of Harvard Law School in the hearings currently being conducted by the House ways and means committee on income tax revision.

This is not a new position for Professor Surrey, as his contribution to the compendium of papers on broadening the tax base is based almost entirely on an article he wrote on the federal income tax base for individuals, which appeared in the June, 1958, Columbia Law Review.

Text Of Surrey Statement

Here is what he says about taxing life insurance proceeds and cash values in the hands of individuals:

"Individuals who invest in life insurance receive preferential tax treatment in that they are not currently taxed on the interest accumulations earned by their policies, and, since the proceeds of the insurance are not taxable income at death, the interest goes

untaxed. The amount of interest is large, being estimated at \$1.1 billion for 1956.

"This preference does not appear to have been considered by Congress, but seems to have arisen largely by default. While taxation of the interest would necessarily require a withholding plan, as discussed below, withholding is independently needed in the case of interest generally.

Calls Change 'Unlikely'

"However, life insurance, involving mass purchases and protected by strong and active advocates, is likely to be favored by Congress, so that a change in this area is unlikely. But at the very least, Congress should be more aware than it is of the variety of schemes available to build upon this preference and in combination with other benefits to distort the application of the tax law such as the purchase of life insurance with borrowed funds. And Congress should certainly cease adding estate tax preferences for life insurance on top of income tax preferences."

\$780 Million Life Policy Funds Aid U. S. Jet Conversion

More than one-half of the capital funds required thus far by the U. S. major airlines in their jet conversion programs is being provided by the investment of life insurance dollars, according to Institute of Life Insurance.

Approximately \$780 million has already been invested or committed by the life companies for this conversion. Of this, \$750 million will have been loaned by the end of 1959 and commitments of \$30 million will be taken up in the first six months of 1960.

More Money Expected

Additional investments are expected to be made, further strengthening the life companies' position as the major investor in jet transportation. Present plans indicate that by 1962, the airlines will have \$3 billion invested in jet or turbo-jet equipment.

The price tag on today's jet airliner (CONTINUED ON PAGE 8)

Miss. Leads Other States In October Ordinary Increases

Mississippi led other states with a percentage increase of 28% in October ordinary life sales, according to LIAMA. Delaware and Nevada took second and third places, respectively, with Delaware sales increasing 20% and Nevada's up 16%.

For the first 10 months, Arizona led in ordinary sales increases with a 23% gain; Mississippi placed second with a 19% gain, and Georgia, with a 16% gain, was in third place.

Hammel Suggests NAIC Do Interior Redecorating Job

MIAMI BEACH—NAIC did historic work in presenting the case for state regulation to the O'Mahoney subcommittee of the Senate, President Paul Hammel of Nevada told the general session in his address Tuesday at the commissioners' midyear meeting here. But he cautioned that the organization needs to do all it can to "render it impregnable against assault" of those seeking federal control.

Mr. Hammel said NAIC is more than an organization of public officials with common problems and responsibilities. "It is the communication center, the coordinator, the catalyst without which individual states could not control an inter-state industry. No state could accomplish, by itself, what all of us have accomplished through NAIC. In this sense, the NAIC is the real alternative to the federal control none of us want."

Mentioning some of the NAIC achievements in the years he has held office, Mr. Hammel asked rhetorically (CONTINUED ON PAGE 12)

Provident Life & Accident's new home office building takes its finished shape as workmen complete the exterior coating of white marble. The building, to contain some 300,000 square feet of office space, is scheduled for completion in June.



NAIC Holds A Peaceful Midyear Parley In Fla.

Status Reports Are Order
Of Day; Plenty Of Study
Promised By Subcommittees

By JOHN C. BURRIDGE

MIAMI BEACH—Peace and quiet settled over National Assn. of Insurance Commissioners at the 1959 "regular" meeting here this week. In the wake of the hearings of the Senate anti-trust and monopoly subcommittee, no one seemed to want to stir up new excitement, especially in a winter vacationland. In those areas where rocks have been thrown, the approach to issues, where they were allowed to be seen, was to treat them with extreme gentleness.

NAIC's subcommittees handle the problems and mold them into form for the parent committees to consider. Monday, the day of subcommittee meetings, thus is supposed to be the day of hot tempers; but this time nothing happened. Nearly all the subcommittees were able to summarize their meetings within half a sheet of paper. Status reports were the order of the day, with a good deal of noting that matters under consideration were to be given study.

Unscheduled Meeting

One unscheduled meeting, for the commissioners to get a rundown on the Michigan Surety situation, caused a lot of comment and speculation, but it was conducted in such secrecy—with Hugh Tollack, NAIC executive secretary, barring the door to all comers—that the uninvited for some time didn't even know what was being discussed. It is reported that it was nothing more than a review of developments by Blackford of Michigan to bring the commissioners not in the know into the know.

The subcommittee on organization, ownership and certification of insurance companies heard a few words on the problem of holding companies whose raison d'être is to organize an insurer. Should those holding companies come under department regulation, or is that possible? Rinehart of (CONTINUED ON PAGE 20)

IN WAYS-MEANS SYMPOSIUM

Suggests 'Entirely New Approach' For Federal Life Insurance Tax

An "entirely new approach" to the problem of taxing life companies and life insurance under the federal income tax law is proposed by George E. Lent, visiting professor of business economics and director of research at the Amos Tuck school of business administration at Dartmouth College, in his contribution to the panel on income tax revision being conducted by the House ways and means committee.

Much of what Professor Lent has written is a factual review of the tax laws applicable to life insurance and life companies. The excerpts that follow, however, were chosen because of their suggestions and conclusions. They are not consecutive, but are given in order of what is believed to be their interest to readers already familiar with life insurance income tax problems.

Excerpt No. 1: The deficiencies of the life insurance company income tax act of 1959 emphasize the need for an entirely new approach to the taxation of life insurance. This approach should be guided by the following objectives:

1. Substantial parity with the taxation of personal income from competing forms of investment.
2. Substantial equality with the tax treatment of corporate income from competing lines of business such as casualty insurance companies.
3. Preservation of competition between different forms of organization, such as mutual and stock companies.
4. Substantial equality of tax treatment of profits realized by life insurance companies and other businesses

Would Broaden Investment Powers Of Mutuals In Pa.

Pennsylvania legislature has passed and sent to Gov. Lawrence a bill to extend mutual insurance company investment powers.

Under terms of the proposal, mutual life and fire companies would be permitted to invest in shares of federal savings and loan associations outside the state.



Snapped at the registration desk: E. C. Danford, Mutual of New York's 2nd vice-president for sales, with William S. Hendley Jr., president of NALU and agent of Mutual of New York at Columbia, S. C., who addressed the annual meeting of LIAMA at Toronto.

operated for a profit.

5. Tax parity among insurance companies that follow different policies with respect to interest, reserves and other matters.

A permanent program for the federal taxation of life insurance and closely related types of income is suggested below. In summary, it includes:

1. Assessment of a moderate, flat tax on policyholders' interest, to be collected from the life insurance company.

2. Taxation of net investment income of all private pension funds at the same tax rate.

3. Taxation of all net gains from operation of mutual and stock companies, after dividends to policyholders, at corporate rates.

A flat tax rate, assessed on net income (CONTINUED ON PAGE 23)

More Letters Sent Out In Old Line Life Battle

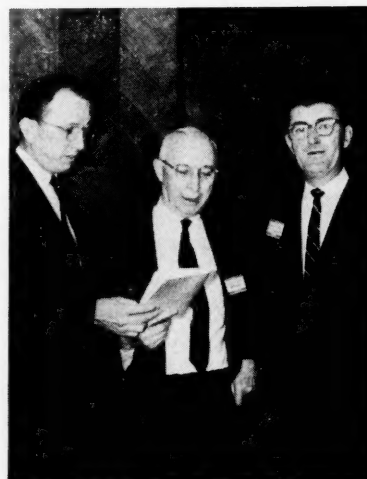
More letters have been sent out by both sides in the battle for control of Old Line Life of Milwaukee. The group of stockholders led by E. C. Rhodes of Aberdeen, S. D., has enlarged its purchase offer to 15,000 shares from the 10,000 originally sought, and the deadline was moved back from Nov. 2 to Dec. 8. The offer is \$70 a share.

Claims Control Of 30,000 Shares

The Rhodes group claims to have control or ownership of 30,000 of the 100,000 shares of Old Line Life. It wants enough more stock so that it will be able to oust the present management, which it is charged, has shown an unsatisfactory performance in growth when compared with other companies.

The most recent letter from the Rhodes group says that a recent financial report of Old Line Life which indicates a growth in assets in the first nine months of \$1,693,864 "omitted to state that in the corresponding nine months of the previous year assets were up \$2,117,207. Hence, the showing for the first nine months of this year was \$423,343, or 20%, poorer than the record of the corresponding period a year ago."

J. H. Daggett, chairman of Old Line Life, has written stockholders that the proxy solicitation of the Rhodes group is "a crude attempt to gain complete and unlimited control of your investment." He says the proxies would give the Rhodes people "absolute authority to vote your stock for any purpose at any meeting within the next 12



President Davis Gregg of American College, W. L. Forker, superintendent of agencies of Equitable of Iowa, and Paul Light, regional vice-president of Pan-American Life, at the LIAMA meeting at Toronto.

Offers \$12.5 Million For Carolina Life

Garvice D. Kincaid, president Kentucky Central L&A, has offered \$12.5 million for the stock of Carolina Life. Carolina Life is 97% owned by three families. At the end of 1958 it had \$1 million capital, \$1,271,163 surplus and \$336,484,268 in force.

Mr. Kincaid is quoted as saying: "The price has been agreed on and the only thing we have to negotiate is the tenure of four people in the company's top management—how long and under what terms they will remain with the company."

He added, however, that he understands some new bidders have entered the picture.

Hancock Dividend Scale To Remain Unchanged In 1960

The directors of John Hancock have voted to continue the 1959 scales of annual and settlement dividends under all classes of ordinary policies and retirement annuity contracts during 1960.

They have also voted to establish for the first time dividends on certain personal health insurance policies which will have completed their third policy year and be in force on their anniversaries in 1960.

months, and for any person they see fit to nominate."

Mr. Daggett urged the stockholders not to be "misled by such a scheme." He said the directors of Old Line own more stock than the recorded holding of members of the Rhodes group.

Uninsured Pension Funds Seen Doubling All Others By 1975

NEW YORK—Uninsured pension funds, which exceeded insured pension funds by about 37% in 1957, probably comprise two-thirds of funds invested for pension plans in 1975, according to a Twentieth Century Fund report just issued.

The report, "Pension Funds: Economic Power," by the Rev. Paul Harbrecht, traces the rise of uninsured pension funds and attempts to forecast their future impact on the economy.

While the study is meant to focus primarily on insured plans, the author states that the subject of the tax treatment of insured plans is pertinent "since, to a degree, the prevalence of noninsured plans is the result of preferential tax policy." After discussing this point, Father Harbrecht goes on to say:

"To say the very least, the tax treatment of qualified pension plans financed through the medium of insurance is consistent with the federal and state exemptions granted to plans financed through a corporate trustee. If there is any reason for discrimination between the two types of financing it has not been brought forward.

"In any case, we may conclude that increased expense to insurance companies as a result of taxation has been a factor in the preference for insured financing. It is questionable whether the insurance companies will be able to offset the competitive advantage readily gained by the banker-trustee even after the tax inequality is corrected."

The report costs \$5 and may be obtained from the Twentieth Century Fund, 41 East 70th Street, New York 21, N.Y.

\$209 Million Individual Life Sold In Aetna Drive

A record \$209 million in individual life coverage was written by Aetna agents during the company's "app scrap" sales drive in October. The new high of 1,351 agents qualified for individual honors.

Agency leaders in the campaign were Stein-Henderson, Chicago, with more than \$11 million in new business written; Carson, Toledo, \$8 million; and Craig, Los Angeles, with \$6.7 million.

Divisional trophies awarded to the greatest percentages above quota went to Joseph F. Euler & Co., Washington, D.C.; Earl D. Twyman, San Antonio; Carl A. Fuess, Memphis; and William G. Levine, New York.

More Early Announcements Of 1960 Dividend Scales

Name of Company	Current Policies	Old Policies	Funds Left With Co.		
			Non-withdrawable	With-drawable	Accum. Div'ds
Aetna Life	Same as '59	Same as '59	3.5	3.5	3.5
Aid Assoc. Lutherans	"	"	(a)	(a)	3.75
Atlantic Natl., Ala.	"	"	3	3	2.5
Bankers Life, Ia.	"	"	3.4	3.4	3.6
Canada Life	"	"	3.25	3.25	3.25
Central States H&L	"	"	2.5	2.5	2
Constitution Life, Ill.	"	"	2.5	2 & 2.5	2.25, 3 & 3.5
Continental, Can.	Approx. 60% Incr.	Approx. 60% Incr.	"	4	4
Excelsior Life, Can.	Same as '59 (h)	Same as '59 (h)	"	4	4

(a) 3.75% on deposit settlement options; 3.5% on fixed period and guaranteed portion of life income settlement options.

Name of Company	Current Policies	Old Policies	Funds Left With Co.		
			Non-withdrawable	With-drawable	Accum. Div'ds
Guardian Life, N. Y.	Same as '59	Same as '59	3.5	3.5	3.5
Home Life, N. Y.	Same as '59 (i)	Same as '59 (i)	3	3	3
Midland Mutual	Increased	Increased	3.25	3.25	3.25
Mutual Benefit	Same as '59	Same as '59	3.2	3.2	3.2
Mutual Of New York	Adjusted	Adjusted	3.5	3.5	3.5
Natl. Fidelity Life, Mo.	Same as '59	Same as '59	Guaranteed	Guaranteed	Guaranteed
Northern Founders, N.D.	"	"	3.5	3.5	3.5
Penn Mutual	"	"	3	3	3
Philadelphia Life	"	"	3.5	3.5	3.5
Pioneer American, Tex.	"	"	3.5	3.5	3.5
Provident Mutual	"	"	3.5	3.5	3.5

(h) To June 30, 1960.
(i) To March 31, 1960

**nearly two and a half
million dollars of paid business
every 24 hours**

throughout the year... is our 1959 record

(all individual policies)

continued proof of the soundness

of our agency system based on the conviction

that the most important individual

in our company is the man who makes the sale

An agent cannot long travel at a faster gait than the company he represents



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over Three Billion Five Hundred Million Dollars of Insurance in Force



es

Non-	With-	draw-	able	%
3.5	3.1			
3	3			
3.25	3.2			
3.2	3.1			
3.5	3.1			
3.5	3.1			
3.35	3.1			
3	3			
3.5	3.1			
3.5	3.1			

GAMC Chairman Smith Explores Problems Of The Firing Line

If life insurance selling were only a matter of offering a good product at fair price, the life industry would be well along the road to a financial utopia, Leonard T. Smith, chairman of General Agents & Managers Conference and Prudential manager at Cranston, R. I., said at the annual meeting of LIAMA at Montreal. The catch in the statement, however, Mr. Smith said during a panel discussion, "the firing line climate," lies in the word "offering," the far from simple job of convincing the public of the genuine value of life insurance. In his speech, a digest of which follows, Mr. Smith discusses some of the factors at work which make the job of selling insurance at this time a difficult one.

By LEONARD T. SMITH

A basic business precept has it that success is the certain result of offering a good product at a fair price. This, of course—as is so common with precepts—is a dreadful oversimplification of realities. Yet it does reflect the underlying reasons for the great forward strides made by the insurance

industry. We do supply a much needed service at a fair price.

Seemingly, then, the road before us leads straight to Utopia. Unfortunately, however, there's a catch, a snag. I submit that this catch lies in the "offering" of our services. People must be told—no, convinced—of the genuine value of insurance protection. The varied skills and talents required to project man's insurance needs, and to produce policies with which to serve those needs, can bear no fruit unless they can be translated into paid-for premiums.

And this job of convincing people that they should look out for their own best interests just isn't as simple as it ought to be. The factors which keep it from being simple are the problem of the general agent and manager. They are the translators. They must meet the public, our market of consumers. They must probe out the specific service required by each individual, arouse his interest in providing it for himself and demonstrate how insurance can and does fill his need.

The relative ease, or difficulty, with which they accomplish their task determines the day-to-day, week-to-week and year-to-year firing line climate. In this respect, how big a problem seems is often more important than how big it is; how common it is, more important than how serious it is.

Uncertain times

Placing insurance has always been fraught with problems, and the present is certainly no exception. To the contrary, my many contacts with general agents and managers throughout most of North America reflect the almost unanimous opinion that today there is a concentration of unfavorable and disconcerting factors unparalleled at any other single time in the memory of those now in the business.

What are these difficulties? Some are longstanding. Some even reflect, indirectly, the growth and expansion of our own industry.

There is, in the broad sense, a general feeling that life insurance as an industry is erupting from within and from without, and that it is going off in many directions at the same time. Nor, at this moment, does there appear to be emerging any directing hand to control all these factors for the good of the industry as a whole.

Increased Group Sales

Probably the most disturbing single factor, from the standpoint of—or more particularly in the minds of—the men on the firing line is the increased scope and coverage of group policies. There is a widespread feeling that so-called group on group is triggering a steady shrinkage of the individual market.

Two other worries, while actually different, are similar in nature—the clamors of the "buy term and invest the difference" boys, and the inroads being made by the mutual funds advocates. Both of these have taken on added seriousness in almost direct proportion to rising Dow Jones averages and generally increasing dividend rates.

The "part-time men" practices of many companies are making them—
(CONTINUED ON PAGE 13)

Laymen Life Statement For Stock Sale Filed With SEC

Laymen Life of Anderson, Ind., has filed a statement with the Securities & Exchange Commission seeking registration of 175,000 shares of common stock.

SEC, in a statement, said, "The insurance company is merging with Laymen of the Church of God, which society owns 197,150 shares of the company's common stock. The society proposes to offer 140,000 shares of the insurance company stock for public sales, and the balance of 35,000 shares are to be offered for sale by the insurance company.

"The society is obligated under the agreement of merger with the company to offer and sell such part of the company's stock which it owns as is necessary to establish the reserves which the society would be required to maintain if it were organized as a legal reserve life insurance company rather than an assessment life insurance company. To the extent necessary, the net proceeds from the sale of the society's 140,000 shares of the company's stock will be used to establish such reserves, following which the society will be merged into the company."

G. A. Young Elected President Of N. Y. City Life Managers

NEW YORK—Gerald A. Young, Prudential, was advanced from vice president to president at the annual meeting of the New York City Life Managers Assn.

Harold A. Loewenheim, Home Life of New York, formerly secretary-treasurer, was elected vice-president and Bernard S. Bergen, Mutual Life, was elected secretary-treasurer.

Directors Elected

Elected directors were Henry Barnhurst, Provident Mutual, Charles J. Buesing, Mutual of New York, David B. Fluegelman, Connecticut Mutual, J. Robert Lauer, Continental American, Benjamin D. Salinger, Mutual Benefit Life, George P. Shoemaker, Provident Mutual, Arthur F. Sullivan, Fidelity Mutual, and Raymond F. Thorne, Berkshire Life.

Elected to the board by virtue of being chairmen of standing committees were E. Lloyd Mallon, Massachusetts Mutual, planning committee; Charles D. Drimal, Penn Mutual, membership committee; Robert V. McWilliams, Aetna Life, law and legislative committee; and John S. Gaines, New York Life, business practice committee.

Presents Gavel To Young

Mr. Salinger, the retiring president, presented to Mr. Young an engraved sterling-banded gavel. Mr. Young outlined his plans for the coming year.

Guest speaker was Denis B. Madson, New York City lawyer specializing in estate planning, executive compensation plans and pension and profit sharing plans. He discussed some basic principles in estate planning and answered questions from the audience.

Ins. Co. Of America, Not Ins. Co. Of Ore.

A story in the Nov. 28 issue ascribed to Ins. Co. of Oregon the sale of \$2,260,000 of stock in 22 days in the state. The company's name was given erroneously. The company involved is Ins. Co. of America, a new company whose president is Hugh Earle, whose immediate-past Oregon commission is available. Ins. Co. of America, which has an authorized capital of \$1,250,000, is already doing business in Oregon as life and A&S.



National Fidelity Life PRESENTS ITS NEW EMBLEM

Since the beginning, over 44 years ago, the people of N.F.L. have wholeheartedly pledged themselves to these lasting values: strength, character, and faithful devotion to service. Constant fulfillment of this pledge has been the inspiration for its past development and the motivation for its ever-continuing growth. So it is fitting that this triad should remain an integral part of our new emblem.

Inscribed on a perfect triangle, and later superimposed on a shield, symbol of protection, these qualities have been the focal point of our emblem throughout its evolution. They are now personified by the knight—traditional symbol of strength, character and service in the highest order.

It seems especially appropriate that this human figure is included, for it serves as a reminder that it is the dedicated people of NFL who have made our emblem meaningful to others: the symbol of good insurance with a good company; the mark of a strong, secure but warm and friendly institution.

Presented during an era of accelerated expansion, this emblem also announces new opportunities for Direct Brokers, General Agents or Salaried Supervisors. Write: Vice President Kemp W. Wood, Dept. NU-129.



National Fidelity Life INSURANCE COMPANY • KANSAS CITY 6, MO.
W. Ralph Jones, President

Levering Cartwright INSURANCE STOCK

Life-Fire-Casualty

Cartwright, Valleau & Co.

Members Midwest Stock Exchange

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You may telephone orders collect.

Buyers Hear Rinker On Three Important Phases Of Group

The three most important phases of group insurance—needs, the tools of security provided for those needs, and trends and difficulties—were discussed by Paul H. Rinker, vice-president of Continental Assurance, at the fall insurance conference of American Management Assn. at Chicago.

Mr. Rinker said the basic need is for personal and complete security for self and family—by means of a device which will soften the blow of death, sickness, loss of income, unusual expenses, or old age and provide comfort and safekeeping for the individual or those who are left.

"You are all familiar . . . with hospital and surgical expense programs for senior citizens . . . There is a want to this protection which is brand new," he said, explaining that Continental Casualty is offering a 65-plus plan to employers for retired employees—those who will retire in the future. Previously, the alternatives were the continuation of retired people under an employee hospital-surgical plan or conversion to a similar plan at time of termination of employment. Either was expensive and subject to involuntary cancellation. The new "retirement" plan is available for any existing group where at least 100 persons can be enrolled regardless of age.

Different Version

The company provides a little different version of hospitalization for retired employees, called "single premium non-cancellable hospital-surgical protection," he said. At the time of retirement a single premium is paid providing daily benefit, hospital extras and medical expenses for retiring employee and wife, or the employee only. This coverage is non-cancellable, and the single premium payable at retirement can be funded through the working years. It goes well with pension plans since the means of funding may already be in use.

Mr. Rinker described as another innovation a new design for employee insurance. Under such a plan an employee may elect a permanent form, as ordinary or paid up at age 65, and there are any number of other plans available, as a substitute for the plan to which he would otherwise be entitled. There are no medical requirements and yet the employee has the benefit of the level rate based upon age at issue. The employer must make a substantial contribution so that the premium rate for the employee is attractive. This is called "T.O.P.," an alphabetical symbol for term-optimal-permanent.

Better Answer

A plan of this kind, he declared, is a better answer to the problem of the premium rates required upon conversion at the older ages when employees normally retire from the group life plan.

We believe that salary protection to the time of retirement is a neglected area of employee coverage," Rinker said. "Certainly the short protection for 13, 26 or sometimes 52 weeks replaces a relatively small percentage of an employee's salary. Salary continuation offers another answer, but many times is not formalized, and, lacking this contractual assurance, does not offer an employee the guarantee of security he wants. Al-

most any plan of salary continuation is limited to a short period of time, and differences in circumstances often result in inequitable treatment of some workers. What we have in mind is a supplement to that basic protection which might well cover up to 50% of the first \$1,000 of monthly income and 25% or 30% of the balance. These benefits would be payable in the event of total and permanent disability up to age 65."

He pointed out that an incentive (CONTINUED ON PAGE 28)

N. Y. Life 1960 Dividends To Be Some \$125.5 Million

Policyholders of New York Life will receive in 1960 dividends totaling some \$125.5 million, an increase of 13.3% over dividends payable in 1959.

In 1960, the company will increase interest rates on dividends left on deposit from 3.15% to 3.5%. New York Life will also pay 3.5% interest, or at a guaranteed rate if higher, under supplementary contracts without life contingencies.

Nationwide Life Passes \$1.5 Billion In Force

Nationwide Life in September reached the \$1.5 billion mark of insurance in force, less than three years after reaching \$1 billion. In the first nine months, the company added \$200 million, which is twice as good as the same period a year ago. Earnings of \$7.71 a share in the first three-quarters contributed to a 12% increase in surplus. Premium income was \$20.7 million.

OHIO is this year!

Soon we will be making agency appointments in Ohio...

***American Health Insurance**, like its present agencies, is growing on a planned progression program. In 13 other states it has built outstanding agencies—Ohio is next—and as elsewhere, we expect to do a good job and a big one.

Do you belong in our picture? Your most valuable asset—to yourself and to us—is your local reputation. We know, from our background of 20 years of sound, specialized experience, that people like best to do business with a home town business man. To be an American Health Agent you must fill that bill—with enthusiasm, integrity and diligence.

The company and agent who specialize in personal and family insurance serve the public best. By specializing, the company can give its policy owners better value, better coverage, better service. As a specialist, the agent can develop his professional skill, with sufficient time devoted to administering service. American Health seeks substantial volume at a limited, carefully selected number of points—where local service can be provided thru local agents who serve the company faithfully and the public honorably. Only under these conditions is the cost of good local service justified.

If you desire a professional career in business for yourself, this is a unique opportunity. With thorough training, with full company support, and with personal application you can give the amount and quality of service to find a successful and profitable career. Your career will be based on satisfied policy holders.

***American Health sets a pattern**—in designing its coverages, in establishing its rates, in its underwriting methods—that permits the local

Managing Agent (who is the company in his territory) to pay claims on the spot promptly and without red tape. Any informed agent is fully aware of the importance of prompt claim payments to the growth of his business.

If you are the kind of agent we are seeking, you'll be delighted to find that American Health is your kind of company. You'll want to learn more about the very special opportunity we have to offer now . . . in Ohio.

"Where there's a will there's a way." Write for our booklets, "The American Health Story" and "Automatic Progression Program." A sound, secure, profitable career is available to the man who has the will . . . for here is a way. Write direct to Agency Department, AMERICAN HEALTH INSURANCE CORPORATION, 300 St. Paul Place, Baltimore 2, Md.

Our representative will be in Ohio in the weeks ahead. Inquire promptly so that you may be included in his plans.

*A specialist insurer with a reputation for integrity.



It makes sense to expect special results from a specialist in the field

Pacific Actuaries Elect Buckman; Discuss A&S Plans

PASADENA—The fall meeting here of Actuarial Club of the Pacific States elected A. L. Buckman, Beneficial Standard Life, president, and heard some interesting comments regarding the introduction of 65 and over A&S plans.

Other officers elected at the two-day meeting were E. H. Neuschwander,

Fireman's Fund, vice-president, and Stuart A. Robertson, Milliman & Robertson, secretary.

Mr. Neuschwander said a problem his company had not anticipated was that many of the older people were simply lonesome and happy to have someone to write or talk to. Fireman's Fund found that it took three employees full time to reply to the letters received from people interested in the advertisements, even though in some cases they did not have any money to purchase the insurance.

Several members of the association

indicated their companies were making efforts to provide the 65-plus coverage. Underwriting, they noted was "fairly liberal" and was intended to control gross anti-selection. The rejection rate was very high, but the persistency was good. Loss ratio has been about 35%. The main difficulty seems to be to obtain enough money for reasonable benefits.

Other speakers noted other problems: Over-insurance, and the difficulty of dealing with nursing homes in situations where it is cheaper for

(CONTINUED ON PAGE 27)

Supervisor's Duties Are Discussed At Indianapolis Meet

A supervisor or district manager should be a staff assistant, not an autonomous unit, two agency heads told the November meeting of Indianapolis General Agents & Managers Assn.

The speakers were members of a panel of local agency men discussing the subject, "What I Expect of a Supervisor," and served as a follow-up to an earlier meeting at which supervisors and unit managers spoke of "What I Expect of My General Agent or Manager." Moderator of the panel was James Comstock, American United Life, Indianapolis.

Supervision Is Team Operation

Supervision is definitely a team operation in his agency, Leo Smith, Massachusetts Mutual, explained. "Our supervisors are brought in on consultations with men. When either I or a supervisor thinks a man is in trouble, we talk it over and decide what can be done. Our supervisors have no prescribed area of operation. Generally they do the preliminary recruiting to the point of getting the man in the agency office where they and I talk to him. They also do the basic training, but when it comes to continuing training beyond basic, again a team effort."

Mr. Smith named seven qualities he looks for in a supervisor: loyal, reasonably good sales ability, unselfishness about his time, ability to attract men, initiative, patience and knowledgeability, and team spirit.

Must Grow Into Staff

Staff is something into which you have to grow, Richard Pratt, manager, Connecticut General, declared. "I don't decide to have a staff simply because someone else in town has one," he warned. "You start with a new man and live with him until he is mature in the business, and then you start with another new man. When you reach the place where you can give assistance in working with the new man you have, you are in a position to grow around for a supervisor."

The primary function of a staff manager, Mr. Pratt stated, is to help the manager train new men. However, his job should be assistance only, not a job in itself. There can be only one manager in an agency. "Use a staff manager to enable yourself to spread out, but use him only as an assistant to you."

(CONTINUED ON PAGE 27)



They've found the right formula

—IT'S THE "PARTNERSHIP PHILOSOPHY"

Jim Comstock knows the success of any formula depends on how skillfully its ingredients are put together. He was a research chemist not too long ago.

Today, however, Jim Comstock C.L.U. is manager of American United's Central Indiana Agency. Jim knows the value of the "Partnership Philosophy"—it's been his formula for success. In turn, he's sharing it with his associates and his unit managers, Alan Chab and Francis Quinn. Their responsibilities are steadily increasing—they're growing fast in their chosen careers.

Little wonder that their's is American United's leading agency. Ability, hard work and the "Partnership Philosophy" helped put it there.

The "Partnership Philosophy" is an important reason why American United is in the top 5% of all American insurance companies... and growing. Ask about us. You'll find we're a good company to buy from, and to sell for—a good company with which to build a career.



AMERICAN UNITED LIFE INSURANCE COMPANY • HOME OFFICE: INDIANAPOLIS, INDIANA

ALL ORDINARY LIFE FORMS-FLEXIBLE OPTIONS-LOW NET COST SPECIALS-UNIQUE JUVENILE-GROUP INSURANCE-GROUP RETIREMENT-PENSION TRUSTS-NON-CANCELABLE DISABILITY-GUARANTEED RENEWABLE MAJOR MEDICAL-GUARANTEED RENEWABLE HOSPITAL & SURGICAL-SPECIALISTS IN SUBSTANDARD UNDERWRITING & REINSURANCE

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A & H OPENINGS \$25,000 - \$7,500

M. West	Life Exec. V. P.	\$25,000
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South	Agency Director	\$12,500
M. West	Life H. O. Adm.	\$10,000
East	Pension Act. Ass't.	\$7,500
W. Cst.	A & H Undr. Mgr.	\$7,500
M. West	Undr. Mgr.—Industrial	\$7,500
W. Cst.	Tab. Dept. Supv.	\$7,500

These listings typical of Life—A & H—Pension Act. Ass't. Casualty positions in all sections of the country. Confidential handling of all inquiries. Write for "HOW WE OPERATE"—no obligation to register.

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A MAJOR STEP BY Mutual of Omaha

Mutual
OF OMAHA

Coverage FOR THOSE FORMERLY Uninsurable

People with histories of heart trouble, cancer, tuberculosis and other serious conditions may now qualify for income and hospitalization coverage. This is because of a major step in a continuous effort by Mutual of Omaha to give the greatest possible protection at the least possible cost.

The plan, called The Select Security Policy, means that folks previously considered uninsurable or substandard risks may now qualify for the coverage they need. Also, it means, for the Mutual of Omaha sales team, a tremendous increase in the number of potential prospects. For with the introduction of this revolutionary new plan, a vast group of ineligible people now have become likely customers.

The appeal of the plan is greatly enhanced by several key features. First is the famous Renewal Safeguard on the Hospital and Income Protection plans.

Other key features—miscellaneous benefits available for all sicknesses and accidents covered in the policy—no reduction in benefits for sickness which formerly classified a policyowner as substandard—no disease elimination endorsements.

FOR DETAILS ON HOW YOU CAN JOIN THE MUTUAL OF OMAHA SALES TEAM and offer this plan and other equally fine plans, write Howard Dewey, Mutual of Omaha, Omaha, Nebraska.



**Mutual Benefit Health
& Accident Association**

Home Office • Omaha, Nebraska

V. J. Skutt, President

Largest Exclusive Health and Accident
Company in the World

Bumper Idea Crop Presented To Agents At Chicago Meetings

About 600 life agents attended the annual Chicago regional sales clinics of Chicago Assn. of Life Underwriters. The meetings were held in suburban Evanston and Elmwood Park, one in the morning and one in the afternoon. The speakers were the same on both programs.

It was noted that the clinics were drawing a good proportion of agents who were not members of the association—possibly about 60-40. George H. Schuermann of Union Central Life and president of the Chicago association, and Roy D. Simon, Penn Mutual Life, state national committeeman, took this opportunity to point out the advantages of belonging to the association and also as a reminder to the association members there is still much more room for increasing the membership.

Mr. Schuermann said the voice of

the life agent in the legislature, both state and national, would be much more effective if the association people were able to point out that they represent the majority of the life agents.

Mr. Simon gave a brief rundown on what members gain from the association, particularly in matters of legislative activities. He mentioned the 20-40 group limits in Illinois as being association sponsored and passed and the blocking of bills that would be considered inimical to the interests of the life agent. In this category he mentioned the extension of group credit life, a bill which was defeated last year.

Mrs. Lee Redding, Mutual of New York, who has been in the business about two years and had \$1 million applied for in the first nine months and paid for by the 15th month, discussed her sales methods. She said she was not qualified to answer many questions when she first began in the business but simply utilized her genuine liking for people and urge to get out and help them protect themselves against financial hazards.

In the time allotted her, Mrs. Redding covered a lot of ground, all of which

Smashes Projector To Show It Takes More Than Device For Audio-Visual Success

Smashing a brand-new slide-film projector with a sledge-hammer, Wayne S. Bishop, vice-president of Elba Corp. of Boulder, Colo., dramatically demonstrated to a seminar conducted at Boulder by his firm that machinery alone is not the answer to effectiveness in audio-visual merchandising.

A Three-Day Conference

A total of 148 members of executive and management personnel from 70 life companies were on hand for the three-day conference. Emphasis was on the use of slide-films as an integral part of the whole marketing program designed to make the most effective use of the machine's capabilities.

Use of audio-visual techniques covered recruiting, selection, hiring, training and actual use in sales—including prospecting, pre-approach, the interview and the close.

indicated that in the very short time she was in the business she went through most of the situations that face new agents, as she moved from quantity prospects to quality prospects and then on to business insurance. She confines her operations to smaller businesses and gave statistics on how many of these in the U. S. depend on one man. The business market puts an agent in the position to be of double service, Mrs. Redding said. She does not deal exclusively in business insurance but has found that it gives her the opportunity to utilize her day hours and build up contacts for evening calls.

No Specific Methods

Mrs. Redding has no specific prospecting methods except through personal observation and being alert to life insurance situations. She advised her audience never to overlook situations that may hinge on the presentation currently being made. In other words, if another insurance need should appear during an interview, this should be carefully noted and gone into then, if feasible, or at a later date.

Ronald P. Sempetean, Prudential industrial agent, who has been in the business a year and half and has net paid-for production of \$1,200,000, said the most important contributing factor in the life business is not to compromise with people. He said he does not compromise with people he deals with or with himself. "It is very easy to be

(CONTINUED ON PAGE 21)

Standard Security Life In Reinsurance Agreement With Continental-National

Negotiations on an unusual departure in reinsurance agreements have been completed between Standard Security Life and Continental-National. Under the agreement, Standard Security cedes to Continental amounts coverage in excess of its normal retention and, in addition, Continental will reimburse Standard Security all claim payments beyond a certain percentage of mortality in excess of the 1958 CSO table.

The form of reinsurance, common in the casualty field, is generally referred to as stop loss reinsurance. The plan protects companies against adverse experience due to the limited number of policies which may be force.

Standard Security is currently writing long-term life coverage and plans to soon present innovations in both life and medical expense plans.

Conn. Mutual Broadens Use Of Fifth Dividend Option

Connecticut Mutual Life has made available its fifth dividend option for the purchase of one-year term insurance through dividend accumulation to almost all types of policies.

Exceptions include term and retirement income plans, issue ages under age 15, policies of less than \$5,000 face amount and policies rated above low extra-premium classifications.

Life Policy Funds Aid U. S. Jet Conversion

(CONTINUED FROM PAGE 1)
is estimated to be about \$5 million and the cost to date of the jets on flying the airlines or on the assembly line is upward of \$1.5 billion. Airline estimates indicate that about 30% of all traffic is being carried in jet airliners at the present time and by 1950 will be the main type of commercial air transport.

While the majority of financing plans provide for outright ownership of jet planes by the airlines, one major airline has leased some of its engines instead of purchasing them. This program is jointly financed by two life insurance companies.

At the outset, when the airline began initial financing for jet conversion four years ago, the life companies were among the important suppliers of needed funds, more than one-fourth of the financing set up at that time being life insurance investments.



At Christmas Time

... we wish you could hear the chimes atop the Equitable Tower when they play so many of our beautiful and best loved Christmas Carols. We wish that your hearts could be made a little lighter, and your days a little brighter, as are those of thousands of our home city residents. But most of all, we wish for you and yours a most happy Holiday Season.

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LIFE INSURANCE COMPANY OF IOWA

FOUNDED 1867 — DES MOINES

This is the Symbol
of Success to a
Fast-Growing Group
of General Agents



Old Republic
Life Insurance Company

307 North Michigan Avenue, Chicago 1, Illinois

are you
ready
to join
them?

Life Insurance, In A Boom Or Bust, Still A Good Buy: McElwrath

"Life insurance—whether there's inflation or deflation—is one of the best, soundest and most uniquely advantageous investments a man can make," G. Thomas McElwrath, vice-president of New York Life, told members of the Society of LOMA graduates at a dinner in the New York Life home office.

Mr. McElwrath said that the public should be quite cautious about letting the spectre of inflation shake its faith in fixed dollar investments such as life insurance.

Reminding his audience that while no one knows how long the present period of inflation will last, he referred to the nation's economic experiences of the past 150 years and pointed out that inflationary periods have always come to a halt eventually.

"Despite inflation," he said, "life insurance has a number of advantages distinctively its own, advantages that no other investment can hope to match. Tax advantages! The advantages of having policy proceeds inaccessible to creditors! The wide choice of settlement options! The advantage of having the insurance company and the agent encouraging us to complete our investment program."

New Equitable Policy Has Widow Benefits Geared To Social Security Payments

Equitable Society has introduced its assured life income policy which guarantees a widow a monthly income for life, regardless of her age when her husband dies.

J. L. Beesley, senior vice-president, commenting on the new policy, called it, "a unique approach to the idea of income insurance, as it goes beyond the traditional method of using settlement options to accomplish this purpose."

The plan may be used to provide the beneficiary, usually the widow of the insured, with an income of, for example, \$100 monthly until she reaches the age of 62 and \$50 a month thereafter for life. A minimum return is guaranteed under this settlement. In a typical situation, policy benefits blend with social security benefits, inasmuch as the widow of a fully covered worker under social security law will start to receive a widow's monthly income at age 62.

If the beneficiary dies before insured, or if there is a change of beneficiary, there is no forfeiture of any of the coverage provided by the policy. Under these circumstances, the beneficiary who is living at the death of insured receives the full death benefit, an amount equal to the minimum return, but the amount becomes payable in a single sum.

Life Insurance Women See Filmstrip Demonstration

NEW YORK—George J. Gero, head of George J. Gero Co., producers of filmstrips and projection equipment, was the speaker at the monthly meeting of League of Life Insurance Women at the home of League President Vera Sundelson, Equitable Society.

Mr. Gero demonstrated a color, sound filmstrip designed for selling hard-to-convince cases.

The league's next meeting will take place at the Women's City Club of New York, Dec. 12.

Atlantic Companies Back To Wall Street

NEW YORK—Atlantic Mutual and Centennial returned to Wall and William Streets here this week, a site the parent company has occupied for 108 years. The new 27-story Atlantic Building is the third of that name to occupy the same location since 1851. Atlantic Mutual began writing marine

Has Completed A Study

Among the festivities marking occupancy of the new home office by the insurers this week was a press luncheon Tuesday and family day for employees and their families Dec. 6.

At the press luncheon, President Miles F. York reported that the group has completed a study of the views of 600 selected agencies over the country on what commercial property coverages the producers believe are needed and what coverages will sell. The results of the survey have encouraged the group to proceed with plans to hold a series of information seminars for agents starting in 1960. Company executives will sit down with representa-

tive producers over the country to discuss common needs and problems.

Company executives attending the luncheon also were Franklin B. Tuttle, chairman; Dale E. Taylor, executive vice-president; W. Irving Plitt, vice-president, and Robert M. Perce, vice-president in charge of the midwest division.

Conn. Mutual To Continue '59 Policy Dividend Scale

The directors of Connecticut Mutual Life have voted to continue the 1959 scale of policy dividends without change for another year.

In a letter to general agents, Charles J. Zimmerman, president, estimated that even with the same dividend scale policyholders would receive \$29.9 million in dividends during 1960, \$1.3 million more than in the 1959 figure.

Connecticut Mutual will also continue existing interest rates of 3.6% on policy proceeds and 3.5% on dividend accumulations.

Metropolitan Life Wins Case Against Similarly Named Casualty Insurer

Metropolitan Life has been granted an injunction by Judge Miner of Chicago federal district court which prevents use of the name Metropolitan Insurance Co. by an Illinois casualty insurer.

Judge Miner found as a matter of law that the name of the defendant company is "deceptively similar" to that of Metropolitan's full corporate title, Metropolitan Life Insurance Co., and he enjoined the defendant from using the name Metropolitan Insurance Co., or using any name likely to cause confusion in the mind of the public.

The casualty company changed its name from Highway Insurance Company to Metropolitan Insurance Co. in October, 1958.

The Merrill P. Arden agency of National Life of Vermont in New York City has moved to the penthouse floor of 247 Park Avenue. The new telephone number is YUkon 6-0077.

New Thoughts on Life

LIFE is real, LIFE is earnest, and has a circulation of 6½ million — but that wouldn't be enough to furnish every NATIONAL Life policyholder a copy.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

N. Y. Life's 20-Pay Policy Has Flexible Retirement Features

New York Life has added a new 20-payment life policy with a choice of three options which are designed to provide flexibility in meeting insured's retirement needs.

One option permits converting the policy on its 20th anniversary to endowment insurance maturing at age 65 or on the 25th policy anniversary, if later. Payment of a level premium for

an additional five years is required under this option.

Under another option, insured may convert to a supplementary retirement annuity, if he is age 60 or less on the 20th anniversary.

Third Option Privilege

The third option, which may be chosen individually or in combination with one of the first two, gives insured the privilege of purchasing a single-premium annuity, within 31 days of the applicable option date, at a premium 2% lower than New York

Life's then current rate. Amount of the single premium may not exceed the face amount of the original policy.

Pilgrim National Life Sets Expansion Program

Pilgrim National Life will expand its operations into 15 additional states.

Samuel R. Ballis, president, states "the funds for the expansion program will be derived from the sale of 100,000 shares of stock, which we have been authorized to sell by SEC." The stock is being offered at \$5 per share.

"Planned Living is beginning to prove that it could also be called a 'Planned Career in Selling,' because if an agent will master the Planned Living presentation he can and will become a successful life insurance man."

Walter C. Leck, General Agent
Chicago



"The practical sense and appeal of Planned Living compels a hearing in every instance and almost always secures a favorable interview... this professional approach places our salesmen in a preferred position."

Richard F. Wagner, C.L.U.
General Agent, Boston



"Planned Living is the most sensible and interesting sales procedure we have ever used... in weeks, our new men are gaining the confidence and poise of veteran underwriters in their interviews."

W. Birch Douglass, General Agent
Richmond



"Planned Living has been accepted by our Agency as the intelligent approach to satisfying our clients' present and future needs within one excellent visual aid."

Frank Rabinow, Manager
Valley Stream, Long Island

- has captured the imagination of the Company
- has touched off a vigorous campaign of field support
- has matured into the *better way* approach in less than a year
- has stimulated these typical remarks from each of our national sales zones

"The great lift that Planned Living has given our Agency, particularly in the area of the 'package sale,' has thoroughly convinced us of its true worth as a sharply-honed and competitive sales aid."

C. Bruce Albert, Manager
Seattle



STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA

Worcester, Massachusetts

'How Much' Is No Life Question, Gaines Tells Ind. Agents

Life insurance was never designed to make men rich but to keep them from being poor, Charles Gaines, director of Insurance Marketing, SMU, told members of the Indianapolis Assn. of Life Underwriters at their November meeting.

Speaking on the topic, "Term May Be the Best Buy If—," Mr. Gaines charged that there are only two primary questions about future income and one of them is not "How much?" The only primary questions are "Will it be there?" and "Will it last long enough?" "How much?" is not primary. One can always adjust to some standard of living, but it is impossible to adjust to no standard. The need of the average man is not for supplemental income but for substitute income.

There are only two times when a man will need substitute income, he pointed out—now or later. Now in case of disability or death; later for retirement. There are only four investments that will produce substitute income: stocks, bonds, real estate, or life insurance. Unless large sums of capital are available, real estate, stocks, and bonds won't provide the substitute income necessary in case of death or disability.

"There isn't a man alive who's smart enough to tell me today what real estate to buy in order to have income 20, 30, 40 years from now. The same thing is true of stocks. Investment men tell me a portfolio will turn over six or seven times in 20 years. The average life of a bond, they also tell me, is six or eight years. Each time a bond matures or is called, there is a chance to make an investment mistake," Mr. Gaines stated.

Only life insurance, among forms of property, will create an estate now, will guarantee income will be there at retirement, and will give ironclad assurance that income will never run out. A life insurance policy is a symbol—a symbol of dignity, self-respect, and freedom of choice—and it is a guarantee of a man's immortality to his family."

Hendley At Detroit: Agents Have Major Role In Anti-Inflation Fight

The life agent's role in the anti-inflation fight is a major one, William S. Hendley Jr., Mutual Life of New York, Columbia, S. C., and president of NALU, told the November meeting of the Detroit Life Underwriters Assn.

Because the agent is universally accepted as counselor on family financial matters, he has the opportunity to help Americans understand the need to have the wit, will and discipline to fight inflation," Mr. Hendley stated.

The problems of inflation and of an accelerated sale of permanent forms of life insurance with cash values are to some extent related, he said. "To beat inflation, we must assure a steady flow of purchasing power to seekers of funds for capital investment. Thrift habits and thrift institutions must be encouraged."

Sales Volume Of American Life Co. New York Campaign Is \$6 Million

American Life of New York's president's month campaign produced more than \$6 million in life and A&S volume, a record. Leading agencies were Boklan, New York, for life production and Horowitz & Son, New York, for A&S production.

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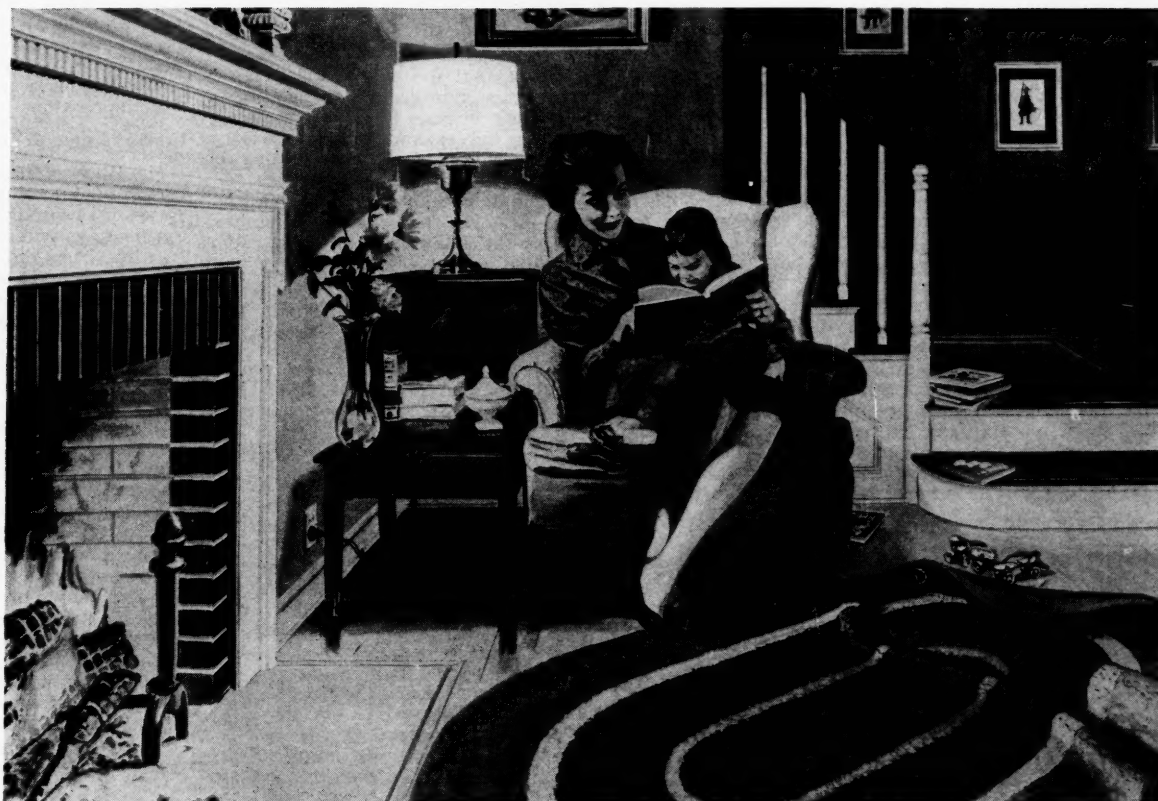
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How many home accident hazards can you find here?

Look closely at the picture above and you'll find a number of potentially dangerous situations that could cause fatal or disabling accidents—perhaps without your realizing it—in your own home.

Notice the turned-up corner of the rug, the skates on the floor and the books on the staircase. Each of these is an invitation to a fall—and falls cause over 13,000 home fatalities a year.

Always keep stairways free of obstructions, provide a storage place for toys—and teach children to keep them there. Rugs, of course, should be made trip and slide proof to prevent tripping or skidding.

See the open fire without a screen? It's estimated that over 1500 homes are attacked by fire each day—some of them because

open fireplaces are not properly screened. Fireplaces should be screened—especially for the safety of toddlers.

Did you spot the frayed electric cord leading to the table lamp? It could cause severe shock, or a painful burn. Be sure that all cords and electrical outlets throughout your home are in good repair.

Notice the heavy vase on the table? An inquisitive youngster could reach it easily... and pull it over on himself. Keep heavy objects in the center of the table.

What about other potential "danger spots" in your home? The bathroom can be especially dangerous—if medicines are left where young children can get at them. All medicines should be kept in a secure storage place. And so should household prepara-

tions including bleach, lye, insecticides and cleaning fluids.

Poisoning from such common household supplies is now one of the most frequent medical emergencies among young children.

Two of the important precautions to take in the kitchen are: keep sharp knives in a special rack on the wall; be sure that curtains do not hang where they can blow over an open flame.

Last year home accidents took the lives of 28,000 Americans and caused over four million disabling injuries.

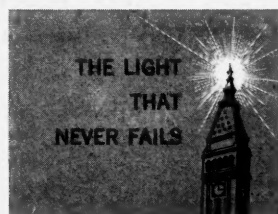
Why not inspect your home now for potential sources of accidents—and make the necessary repairs, rearrangements or arrange for their removal? If you do so, your home can be much safer.

Metropolitan Life INSURANCE COMPANY

A MUTUAL COMPANY

1 MADISON AVE., NEW YORK 10, N.Y.

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This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in publications with a total circulation in excess of 45,000,000 including Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Redbook, Reader's Digest, National Geographic, U.S. News, Look.

Hammel Suggests NAIC Do Interior Redecorating Job

(CONTINUED FROM PAGE 1)

orically, "Where are we vulnerable?" and said it is "because we have too many committees, because we have inactive committees and subcommittees. Because we often make ourselves appear what we are not, and often do not properly explain what we do."

Some committees don't even meet, or just meet and adjourn, he commented. Reports of no activity, no meetings, no agendas are put in the proceedings.

What conclusion might be drawn from this?" he inquired. "Might it not be that some outsider, possibly the industry we are supposed to regulate, controls the agenda?"

Subcommittees appointed for a specific task are often not discharged, and are added to inactive list. NAIC looks even more inactive itself, Mr. Hammel observed. "Often we continue subcommittees only to oversee the results of their own work, but they fail to explain in each of their reports that this is the sole reason for their existence, and thus look inactive too."

Vacillation cannot be justified, he said, but delay often can be. If a problem is complex and requires more time, or more time is needed to complete an important report, the reason for the delay should be on the record "so that our friends and our enemies, and the public . . . will know that it is a justifiable delay and not vacillation."

Mr. Hammel said he is concerned with the public image of NAIC. Few people read the proceedings, but the commissioners as public officials "have enemies and we must appear to all who would scrutinize us as the sincere, dedicated, hardworking association that we really are."

He suggested the commissioners consider the possibility of consolidating or eliminating inactive standing committees, and consolidating or discharging subcommittees whose main tasks are finished. There is no reason why, he declared, a parent committee cannot oversee such items as the number of states that adopt a model bill.

"Each report of every remaining committee and subcommittee should restate its reason for its existence, its accomplishments since its last report, or a proper reason for the lack of accomplishments."

Specifically, Mr. Hammel recommended that the laws and legislation committee consider the possibility of a change in state laws to make mandatory the examination of advisory, statistical and joint underwriting or joint reinsurance organizations not less than once each five years; that the accident and health committee check the advisability of investigating bidding on airport concessions; that the executive committee consider enlarging the functions of the executive secretary's office, and that the committee on all installment sales and loans study the need of laws providing minimum provisions in all policies used in consumer transactions.

The subcommittee on schedule rating plans and rate modification plans, meeting without a quorum, had a long

discussion, with Frank Hart of Kentucky and C. F. J. Harrington, vice-president National Assn. of Casualty & Surety Agents, doing the bulk of the talking.

Mr. Hart said schedule rating should be investigated more fully. There are problems which come close to the anti-rebating laws when an agent cuts his commission in order to obtain or hold a line. He wondered about the relationship between commission cutting and rebating.

Urges Tighter Controls

Mr. Harrington held forth at length, urging tighter controls over the application of rating formulas and advocating hearings before they are adopted. In his remarks, Mr. Harrington touched all bases and the subcommittee report took note of this, saying that the points brought up had "far-reaching ramifications."

The report suggested that the committee be continued to investigate the subject further.

A big crowd turned out for the meeting of the subcommittee to review fire and casualty ratings laws and regulations, but the session was confined to a status report by its chairman, Gerber of Illinois.

The commissioners are seeking definite suggestions from industry on what, if anything, needs to be done with the rating laws, Mr. Gerber said, and the memoranda are wanted by Feb. 15. By that time the subcommittee will be holding another hearing, like the one conducted in Chicago two weeks ago in the south or the west. By means of regional hearings the subcommittee hopes to get a local approach.

Discuss Limited Groupings

At the meeting of the group fire and casualty insurance subcommittee, Grubbs of Nebraska, the chairman, asked for comments on the possible productivity of a study of the advisability of limited groupings in the fire and casualty field. Cooper Cubbedge of Jacksonville, representing the National Assn. of Insurance Agents, said the agents are "firmly opposed" to amendment of the rating laws for the purpose of limited groupings. Mr. Grubbs asked why NAIA would oppose an investigation. Mr. Cubbedge said there should be no twilight zone. Tacit approval to the idea of study was offered, upon solicitation, by William H. Rodda, secretary Transportation Insurance Rating Bureau; C. F. J. Harrington of National Assn. of Casualty & Surety Agents, and Frank Hart of the Kentucky department.

The old M-1 subcommittee, now L-1, titled statistical, rating and filing of multiple line contracts, is still in business, its chairman, Thacher of New York, explained, to keep up on date on court decisions in this field. There are several cases pending which Mr. Thacher reviewed briefly, all involving North America—in New York, Washington, Kentucky and Mississippi. No decisions have been handed down for the subcommittee to evaluate.

Lincoln National Life

Agents Honor Persons

Agents and general agents of Lincoln National Life honored Henry Persons, vice-president and director of agencies, with a one-day drive which broke all previous daily production records for the company. Within ten business produced during the campaign totalled \$17,192,307 in volume and \$592,160 in premiums, and 1322 applications.

The Praetorian Guard



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Our District Manager and/or General Agent contract gives you **MAXIMUM FLEXIBILITY** for more profitable operation. Choose your own specialty:

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Larger income from your own business.

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From other life agents or general lines agents.

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We have some outstanding recruiting tools.

Whether you want to **SELL, DEVELOP BROKERAGE, or MANAGE CAREER MEN**, make it **Mutual — Praetorian Mutual, that is!**

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PRAETORIAN MUTUAL

Life

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INSURANCE COMPANY

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GAMC Chairman Smith Explores The Problems Of 'The Firing Line'

(CONTINUED FROM PAGE 4)

...elves felt, often in a completely negative way. Right in my own bailiwick, there's a domestic Rhode Island company that concentrates on getting policemen, firemen and letter carriers as part-time agents. The competition from the actual production of these people is certainly of no great consequence, but the stock answer from their beats is always, "Well, when we get around to taking insurance, we'll be giving our business to whom-ever it happens to be." Another company I know of has made a general solicitation to lawyers to take part-time agencies. Much the same story.

Questionable Gimmicks

Then there are the questionable gimmicks, the abuses of minimum deposit policies, the new uncertainties provoked by variable annuity development, and, of course, the ever-changing social security picture. As I said, there seems at this particular moment to be a concentration of disconcerting influences coming simultaneously to a head.

Optimism Is High

On the other hand, however, never before have I encountered such a uniform blend of optimism and determination. Field management, as a hearing body, foresees a great upswing in life insurance sales. We are faced with a greater challenge than ever before, but it is one which can be successfully met, and even turned to our advantage. I'd like to say here that one of the key factors will be training, of the sort currently being carried on jointly by LIAMA and General Agents & Managers Conference.

The coming era will make ever greater demands on the resourcefulness of the firing line personnel. They will have to be able to service increasingly complex problems. The policies they represent will be designed to cover ever broader scopes. The training of these agents, and their managers, must keep up with the times.

Then, however, equip these more highly trained men with equivalently graded sales programs and promotional materials; reestablish in them the fundamentals of what life insurance is, by what it should do, and I have every confidence we can change the "firing line" climate from squalls to clearing.

B'nai B'rith Alleges Bias

Naming Jews To Home Office Executive Posts

NEW YORK—"A clear pattern of discrimination against Jews" in filling pending office executive positions at life insurance company home offices persists, according to a report of the anti-discrimination league of B'nai B'rith.

The league did not identify the seven major life companies on which it based its study but said they represented more than half the industry's 1958 sales. It said that in the sales offices 6.2% of employees are Jewish, but in the home offices only 3.6% are Jewish, adding that even among this 3.6% two-thirds were "clustered in jobs as accountants, doctors, lawyers or accountants and hence could not be considered administrative, front-office, or policy-making employees."

David Rockefeller And Two Attorneys Elected Equitable Directors

David Rockefeller, vice-chairman of the Chase Manhattan bank, New York; William H. Avery Jr., Chicago attorney, and J. Raburn Monroe, New Orleans attorney, have been elected directors of Equitable Society, effective Jan. 1.

Mr. Rockefeller, the youngest son of John D. Rockefeller Jr., joined Chase National and was elected vice-president in 1949. When Chase National and the Bank of The Manhattan Co. merged in 1955, Mr. Rockefeller was appointed an executive vice-president. He became vice-chairman in 1957. Mr. Avery has been practicing law in Chicago since 1930 with Sidley, Austin, Burgess & Smith and its predecessor firms. He has been a partner since 1944. Mr. Monroe has been with the New Orleans law firm of Monroe & Lemann since 1934 and has been a partner since 1940.

OKs Restored Benefits

In Medicare Program, Jan. 1

The Department of Defense has approved restoration of benefits in the Dependents' Medical Care Program which had been eliminated Oct. 1, 1958.

Effective Jan. 1, Medicare will again cover treatment of cases which are not strictly of an emergency nature, such as tonsillitis; care of acute emotional disorders for a period of 21 days, and emergency out-patient care for acute injuries or accidents.

Also, the \$15 allowance for certain diagnostic tests such as x-rays has been restored, as has the \$50 allowance for post-hospitalization treatments such as transfusions after leukemia.

Medicare provides for medical care of dependents of servicemen. About three million persons are eligible, but most dependents living overseas avail of independent facilities provided by the military forces.

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BOOKS WHICH ACTUALLY

OFFER PRACTICAL ANSWERS

Shown below are typical questions which are answered:

Are "due and deferreds" really Sec. 805 (b) (4) assets?

Are "supplementary contracts without life contingencies" Sec. 801 Annuities?

What about unearned discount on policy loans? Is accelerated first year depreciation available and—if so—is it worthwhile?

How can expensive real estate appraisals be avoided?

TAX PLANNING FOR LIFE INSURANCE COMPANIES—1959

\$25.00

HOW TO PREPARE THE 1958 LIFE INSURANCE INCOME TAX RETURN

\$20.00

(Add \$1.25 per volume for air mail shipment)

John B. Reid, Jr., Editor

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Completely vested Renewals for the premium paying period of the policy
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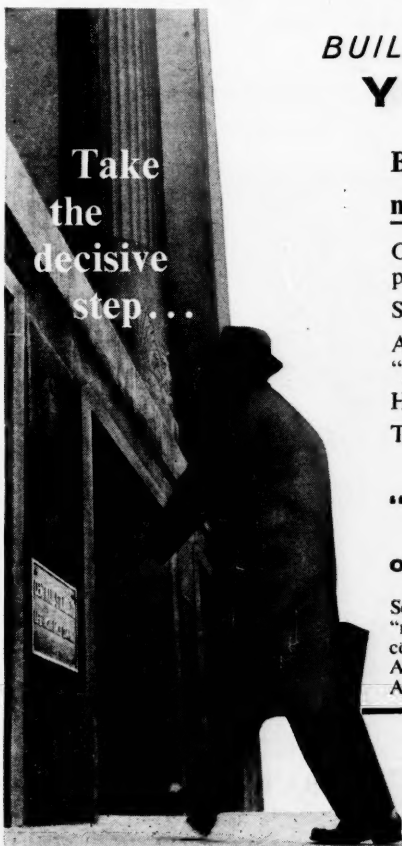
See for yourself—Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laffin, Vice President and Agency Director.

In Force: \$357,405,420
Assets: \$107,284,880
Surplus: \$14,591,874

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Founded 1905 INSURANCE COMPANY

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Take the decisive step...

Home Office Changes

Columbian National Life

Daniel H. Quigg has been elected vice-president and will manage the consolidated group A&S and group life department, which is in the process of being established and which will combine the personnel and services of Columbian National and Hartford Accident & Indemnity. He has

been secretary of Hartford Accident since 1950 and since 1955 has headed the A&S department.

Associated with Mr. Quigg will be the following newly elected officers: Willet K. Boger Jr., 2nd vice-president; Thomas G. Wrenn, assistant secretary, and Allie V. Resony, assistant actuary.

Mr. Boger has been with Hartford

Accident as manager of the group disability department since 1949 and was elected an assistant secretary in 1955.

Mr. Wrenn, who joined Hartford Accident in 1956, has been underwriting supervisor for group insurance.

Mr. Resony has been actuary of Hartford Accident's A&S department since 1955, having joined the company in 1946.

Martin W. Davenport has been elected assistant secretary of Columbian, a position he holds with Hartford Fire, where he has been in the investment department.

Dr. Ferris J. Siber was elected assistant medical director.

Northwestern Mutual Life

Thomas L. Callan has been named assistant secretary in charge of ad-



T. L. Callan



R. L. Peters

vanced underwriting. Robert L. Peters has retired as assistant secretary in charge of settlement options and annuities. Mr. Callan replaces Mr. Peters as assistant secretary but, because of realignment of duties among officers in the secretarial department, will be in charge of different areas.

Mr. Peters joined the company in 1932 and has been an officer since 1933 when he became assistant supervisor of claims. He was appointed assistant secretary in 1952.

Mr. Callan joined Northwestern in 1948. He became advanced underwriting supervisor in 1958.

Old Line Life



Forest S. Talbot

Forest S. Talbot has been appointed director of agencies. He has been superintendent of agencies since 1953. Prior to joining Old Line Life, he was with Continental Assurance as agency supervisor and assistant general agent at Madison, Wis.

E. W. Beresford, secretary of the company since 1958, has been named a director. He has been with the company since 1929 and was an assistant secretary from 1948-58.

Kentucky Central L.&A.

W. E. Burnett Jr. has been elected treasurer to succeed Karl F. Wirth who resigned for health reasons. Mr. Wirth will continue as a director. Mr. Burnett has been secretary-treasurer of Cardinal Life of Louisville, which is affiliated with Kentucky Central.

Commonwealth Life

William W. Black has been elected assistant vice-president; Dr. Norman B. Hasler associate medical director and John S. Speed assistant vice-president.

Home Life Of New York

Dr. Robert J. Oehrig, assistant medical director, has been named associate medical director. He joined Home Life as a medical assistant in 1953.

STONEWALL LIFE of Mobile appointed Elwin H. Maitre vice-president and general manager.

TEACHERS INSURANCE & ANNUITY ASSN.—Torrey D. Dodson has been appointed assistant vice-president; George F. Keane, advisor; officer; Leonard Brooks Jr. and

NEW LOWER ANNUITY RATES . . .

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with those of any other company:*

SINGLE PREMIUM FOR \$10 MONTHLY INCOME						
LIFE ANNUITIES						
		Age 45	Age 55	Age 65	Age 75	Age 85
NON-REFUND	MALE	\$2,497	\$1,996	\$1,472	\$ 986	\$ 598
	FEMALE	2,724	2,239	1,684	1,139	683
INSTALLMENT REFUND	MALE	2,614	2,176	1,715	1,284	920
	FEMALE	2,790	2,352	1,866	1,398	990
JOINT SURVIVORSHIP*						
NON-REFUND		2,944	2,485	1,940	1,376	872
INSTALLMENT REFUND		2,953	2,514	2,011	1,513	1,076

*Figures quoted assume male and female same age.

PHOENIX MUTUAL LIFE INSURANCE COMPANY
of Hartford, Connecticut

ward R. Fritchman, associate investment officers; William N. Fisher, assistant mortgage officer; James T. McCartin, assistant group officer, and William T. Slater, assistant advisory officer.

CALIFORNIA LIFE—Richard P. Fradd has been named assistant vice-president. Mr. Fradd originally joined the company in 1954 and became comptroller in 1954, but rejoins California Life after being employed in Phoenix.

NORTH AMERICAN EQUITABLE LIFE—Mark H. Kroll has resigned as president. His successor is James A. Lantz, speaker of the Ohio house of representatives.

BANKERS FIDELITY LIFE has appointed W. Fred Segars assistant vice-president. Before joining the company, he was with Washington National for 14 years.

HARDWARE MUTUALS of Stevens Point, Wis., has elected Robert J. Sueck treasurer of Hardware Mutuals and Sentry Life. The office of treasurer was left vacant by the resignation of R. E. Busbey.

CANADA LIFE ASSURANCE has elected Ellmore C. Patterson, senior vice-president of Morgan Guaranty Trust of New York, a director.

FEDERAL L.&C. has appointed James D. Hanson assistant treasurer and Sam E. Colvard assistant secretary. Mr. Hanson was assistant treasurer of Midland National Life and Mr. Colvard was assistant secretary of Secured, which is now affiliated with Federal L.&C.

GEORGIA LIFE & HEALTH—Thomas O. Ward has been named president, succeeding W. L. Bryan who becomes board vice-chairman. Mr. Ward was most recently assistant vice-president of Gulf Life.

MUTUAL LIFE of Canada has appointed Carl F. Ritz vice-president and actuary; Walter H. Breithaupt, vice-president and secretary, and Russell W. Zinkann, vice-president and medical director. Also, J. Wilfrid Chambers and Lyall M. Sprung have been appointed actuaries, and Benson A. Rogers has been named associate secretary and legal officer.

APPALACHIAN NATIONAL LIFE has appointed Dr. John W. Avera Jr. medical director. He has been in private practice in Knoxville as a specialist in internal medicine.

W. E. Newell, president of the First National Bank of Kingsport, Tenn. has been elected a director.

Mutual Of N.Y. Oct. Drive Volume Is \$248,776,562

Mutual of New York's October sales campaign resulted in a volume of \$248,776,562 in new business, a company record and \$52.8 million more than the 1958 campaign.

Agency leaders during the campaign were the Yeates agency at Sacramento with applied-for volume of more than \$8.5 million; the Bishop agency at St. Paul for attaining its assigned quota with a percentage figure of 326.7%, and the Hodgkinson agency at San Diego, which turned in 661 applications.

Individual leaders were Leland D. Anderson, Sacramento, who led in applied-for volume, and Robert A. Cran-

dall Jr., Orlando, Fla., who was first in number of applications. Both men will receive president award plaques for their performances.

St. Louis Group Changes Name

St. Louis Life Insurance & Trust Council has changed its name to Estate Planning Council of St. Louis. J. Harry Veatch, president, presented the change to the membership as an amendment to the council's articles at the November meeting.

NALU Updates Slidefilm Kit On Social Security

NALU is making available to local and state associations, individual members and other insurance associations an updated version of its slidefilm narrative, "Can We Have Sound Social Security?"

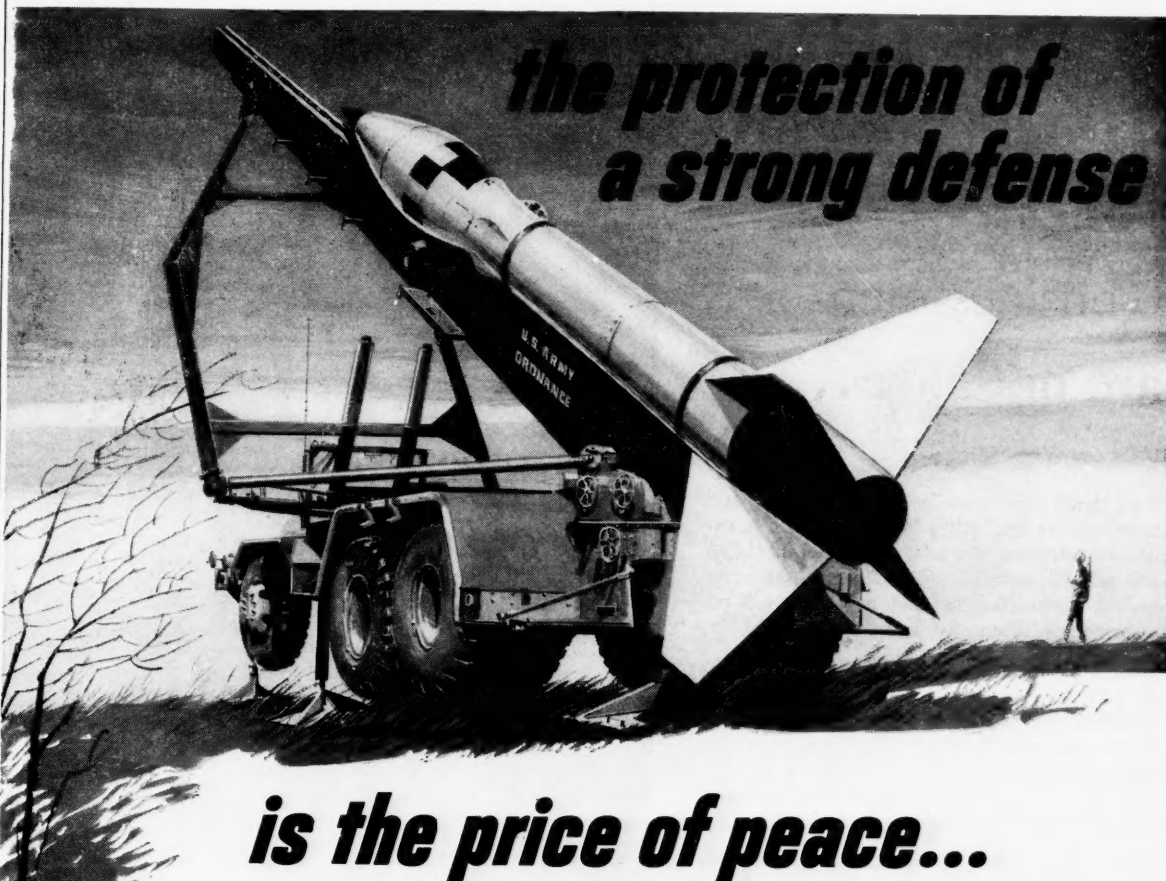
The slidefilm, which was produced under the auspices of NALU's committee on social security, comes in a kit containing instructions for showing, a 25-minute script and 58 color slides.

A taped version of the script is also available at slight extra cost.

Order blank for the kit may be obtained from NALU's Washington, D. C., headquarters.

Bankers National Life Increases Advance Premium Discount Rate

Bankers National Life, effective Dec. 1, has increased its discount for premiums paid in advance. For the first five years the rate will be 4%, for the next five years, 3½%, and thereafter to maturity, 3%.



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In the days ahead, Security-Connecticut will continue to provide the same sound protection and service which have been its hallmark.



This fascinating booklet contains every important missile in the U.S. arsenal — each one in full color, identified by name, mission and manufacturer. And it's a treasure-trove of facts about up-to-date, streamlined insurance for every need, too! Your clients will want this dramatic, useful booklet — tuned to our times, tailored to their needs — send for it now!

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Changes In The Field

New York Life

Harry L. Corbett, who has headed the Albuquerque group office, has been appointed assistant district group manager at Los Angeles and is succeeded by Donald M. Rising, former home office group representative at New Orleans.

Richard W. Clayton, district group

manager at Salt Lake City, has been transferred to Philadelphia in the same capacity. He is succeeded by Joseph M. Newey, former home office group representative at Denver.

Aetna Life

Fred E. LeLaurin, general agent at New Orleans since 1940, will retire

Jan. 1, and will be succeeded by Edward J. Gilly, currently supervisor of the agency. Mr. LeLaurin, a CLU, entered the life business in 1920 at Pine Bluff, Ark., and in 1926 joined Aetna Life at New Orleans as associate general agent. Mr. Gilly has been with the company since 1946 and has been supervisor for two years.

Paul Revere-Mass. Protective

Jerome P. Neff has been appointed manager of the Chicago brokerage office to succeed Robert L. Seiler, who

has retired to become a guest ranch owner in Arizona. Mr. Neff entered the insurance business in 1954 with Continental Assurance and for the past two years has been brokerage supervisor for Connecticut Mutual Life at Chicago.

Travelers

Named regional directors of agencies, life, A&H agency department are:

Malcolm W. Dunlevie at Atlanta. He joined Travelers at Atlanta in 1949 and became assistant manager there



Malcolm W. Dunlevie



George F. Stevens

in 1951. He has also been manager at Miami, Houston and Newark. In 1953, he was appointed assistant superintendent of agencies at the home office.

Stephen T. Hanscom at Los Angeles. He was named supervisor at Boston in 1941 and became assistant manager there in 1945. He has also been manager at Providence, Portland, Me., and



Stephen T. Hanscom



Harry G. Williams

Newark. In 1955 he was promoted to assistant superintendent of agencies.

George F. Stevens at New York. He joined the St. Louis branch in 1932, became supervisor there in 1937 and manager in 1949. In 1953, he was transferred to New York as manager and in 1956 went to the home office as assistant superintendent of agencies.

Harry G. Williams at Boston. He has been with the company since 1944 when he was appointed field assistant at Montreal. He became manager at Halifax in 1948, transferring to Ottawa in the same capacity in 1952. In 1956, he was promoted to assistant superintendent of training at the home office and became assistant superintendent of agencies in 1958.

Old Republic Life

Charles A. Weghorst has been named general agent at Homestead Park, Pa.

Columbian National Life

Appointed managers are:

Charles L. Bakes at Bridgeport. He joined Columbian National in July, and before that was with Connecticut General as a brokerage consultant and district manager at Manchester, N.H., and Lawrence, Mass.

Eric M. Buzza at Manchester. He has been supervisor of New England Life at Worcester, Mass., and field supervisor and assistant manager at the Worcester office of Travelers.

William J. Bartlett at Syracuse. He

Fine prospects see this in **TIME** and **Newsweek**

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You don't have exactly the same goals and problems as any other businessman. For example, retaining the control and maintaining the value of your business after the loss of an owner, a principal or a key executive will require special plans for your situation.

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Hundreds of thousands of America's best prospects for business life insurance read this advertisement, which appeared in full color. Among them are some of your prospects who have a better understanding of the value of life insurance in business because they read this message.



has been an agency training instructor at Binghamton, N.Y., for New York Life.

Connecticut Mutual Life

C. C. Coffin, general agent at Rutland, Vt., since 1953, has been appointed to head an agency at Los Angeles, succeeding Edward B. Bates, who has been elected 2nd agency vice-president. Mr. Coffin, a CLU, joined



C. C. Coffin



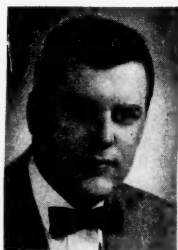
Alfred Beauchamp

Connecticut Mutual in 1949 as an agency assistant at the home office. He went into field work in 1951 at New York and became supervisor there in 1952.

Alfred Beauchamp succeeds Mr. Coffin as Rutland general agent. Mr. Beauchamp joined the agency in 1952 and has been supervisor there since 1957. He is past president of both the Rutland and Vermont Life Underwriters Assns.

Franklin Life

Charles E. Drew Jr., of Grand Rapids, has been promoted to area manager for Franklin Life. Formerly with Travelers, Mr. Drew has been Franklin's general agent in Grand Rapids since 1950.



C. E. Drew Jr.

Robert W. Ross, of Rutland, Vt., has been promoted to state manager for Franklin Life. Mr. Ross entered insurance in 1941. He was named Franklin's regional manager at Rutland in 1958.

Western Life

Robert W. Steininger has been named superintendent of agencies in western Michigan. He was formerly with Lincoln National Life and has been in the business 14 years.

Home Life Of New York

A. Stanley Lewis has been appointed manager at Great Neck, N. Y. He has been manager at Hempstead for National Life of Vermont. He was previously with Home Life, having joined the company in 1950 as an agent of the Evans agency at New York, where he was named assistant manager in 1953. Berkeley Albert, who has directed the Great Neck agency for two years, becomes assistant manager there.



A. Stanley Lewis

American United Life

Jack E. Swift has been appointed agency manager in Mount Pleasant, Mich. Mr. Swift, who began his life insurance career at age 18, has also

been a field assistant and district manager. He founded the Central Michigan Assn. of Life Underwriters at Mount Pleasant.

Republic National



Franklin W. Wilson

Franklin W. Wilson has been appointed manager at Corpus Christi. He has had production and sales management experience.

New England Life

Charles M. Smeeth has been named manager of the brokerage department of the Swanson agency at Chicago. He had been a life insurance brokerage consultant for two years before going with the Swanson agency. Before that he was in the merchandising field.

Royal Neighbors



Gertrude Murphy

Mrs. Gertrude M. Murphy of Webster Groves, Mo., has been appointed state supervisor. She succeeds Mrs. Lucy M. Dray of Linneus, Mo., who retired after filling the post for eight years. Mrs. Murphy, who is currently secretary of Missouri Fraternal Congress, has been a field representative for the society for 13 years. She began as a district juvenile organizer and in 1956 was appointed as a district deputy. In her new post she will direct the field activities of 19 district deputies in her state.

North American Life, Ill.

William L. Boyce has been named regional agency superintendent at New York City. He was formerly with Equitable Society at Syracuse.

Equitable Of Iowa



C. C. Marks

C. Craft Marks has been appointed St. Louis general agent. Mr. Marks began his career with Guardian in 1947 in Davenport. In 1950 he was named a home office field supervisor. In 1951 he was transferred to St. Louis where, as a home office field supervisor, he was assistant to the general agent. In 1955 he was named resident home office field director supervising six southern states, and in 1958 he was advanced to home office agency director.

INDUSTRIAL LIFE OF QUEBEC has appointed Robert Desilets manager of the new Beaubien branch at Montreal; Fernand Champagne agency field supervisor in the Toronto and Hamilton areas, and Charles A. Clarke manager of the Danforth branch at Toronto.



PEOPLE

...the people of the Twentieth Century: the people who made history, who saw it made, whose lives were shaped by it—this is the theme of Prudential's award-winning TV series, **THE TWENTIETH CENTURY**, Sunday Evenings, CBS-TV.

Relive their darkest and brightest moments through the camera's eye on such programs as:

THE MOVIES LEARN TO TALK—Garbo's first words on film... Al Jolson singing "Mammy"... nostalgic, historic—with commentaries by Jack Warner and Lee De Forest

THE SUICIDE RUN TO MURMANSK—the verbatim account of this World War II adventure as told by a British skipper who lived it... as seen by American correspondent Walter Kerr who was a part of it

THE WEEK THAT SHOOK THE WORLD—the prelude to World War II... the seven days before the actual outbreak... radio tapes of America's leading foreign correspondents... the dire predictions of what was to follow made by Edward R. Murrow and Eric Sevareid...

...significant, exciting shows—**POLAND ON A TIGHTROPE**, **GOERING**, **AGE OF THE JET**, **MAN AND THE MOON**, **THE OLYMPICS**. See them all on "THE TWENTIETH CENTURY," Sunday evenings over CBS-TV.



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LIFE INSURANCE • ANNUITIES • SICKNESS AND ACCIDENT PROTECTION • GROUP INSURANCE • GROUP PENSIONS

President's Aid Lauds Life Industry For Its Anti-Inflation Fight

Raymond J. Saulnier, chairman of the council of economic advisors to President Eisenhower, praised the life insurance industry for its anti-inflation campaign in a speech at Berkshire Life's home office. The meeting, part of Berkshire's open house activities celebrating the new home office, was attended by more than 200 executives of other life companies and asso-

ciations and of financial and investment firms with which Berkshire does business.

Mr. Saulnier, after stating that there is no inconsistency between increases in wages and the prevention of inflation, said what the nation faces is the problem of keeping those increases within the zone of what is non-inflationary. If this challenge is met, it will be because the public is able to get a better understanding of our inflation problem.

"I know that the life insurance business as an institution has done a

great deal to improve public understanding of these matters," he said. "And I think that's a tremendous contribution that you are making. I would like to give every possible encouragement, as I always have, to these efforts on the part of the life insurance industry."

Hoosier Farm Bureau Life has raised its interest rate on premiums in advance to 3 1/4%.

Benefit Assn. of Railway Employees has been licensed in Alaska.

IAAHU Sets Campaign Names Group To Study Audio-Visual Selling

International Assn. of A&H Underwriters leading producers round table award committee will launch its annual promotion campaign during December.

Committee Chairman J. Will Paul, Detroit Mutual, told the board that all applications will be processed earlier this year, and winners will be disclosed by April 15. Plaques and certificates are to be mailed by mid-May. Also, a designation of LPRT attainment will be affixed to IAAHU membership cards.

At the October board meeting, a new committee was formed to study the field of audio-visual selling. The committee is headed by Milton Rose, Paul Revere Life, Los Angeles, and includes W. Harold Peterson, American United Life, Indianapolis; William O. Peterson, Pioneer Mutual Life, St. Paul; Richard Michaels, Federal L&C, Buffalo; Robert W. Osler, Rough Notes, and Webster H. Hurley, Bankers L&C., Hempstead, L. I.

Guardian Life Field Force Submits Ordinary Business Of \$46 Million In October

Guardian Life's field force submitted more than \$46 million of ordinary life business and \$200,000 of A&S premiums during the company's October campaign honoring James A. McLain, chairman.

Life insurance submissions were 33% above the campaign quota and 12% better than the previous record in 1958. A&S results were more than 25% above quota and showed an increase of 29% over submissions in the 1958 campaign.

Leading agencies were the Speed agency at Los Angeles for topping its quota in life volume by 329.8%; the Spaulder, Warshall & Schnur agency at New York for both life volume and A&S premiums, and the Grogan agency at New York for exceeding its quota in A&S volume 370.3%.

Individual leaders were Sidney Baer, Philadelphia, life volume; E. I. Taylor, Wheeling, life applications; N. H. Weisenfeld, New York, A&S premiums, and Mr. Weisenfeld and Maury Kusnitz, Fall River, tied for A&S applications.

Slater Speaks For U. S. At ILO Cologne Sessions

BOSTON—Robert E. Slater, vice-president of John Hancock, was appointed one of two United States employer delegates to the fifth session of the advisory committee on salaries of employees and professional workers of the International Labor Organization, which was held in Cologne, Germany, Nov. 23 to Dec. 4.

Mr. Slater served as U.S. employer spokesman on the effects of mechanization and automation on salaried employees, and the possible establishment of international standards in this field.

A governmental association of nations, ILO was established in 1919 in the peace settlement following World War I. Each member nation was invited to send six delegates to the Cologne sessions, representing employer, labor and government areas.

C. W. Tyson of Memphis led General American Life agents in individual sales in October.

"What's new with the **GO** Company, Charlie?"



"ACTION, Herman, lots of ACTION...
Republic National Life is expanding
its Agency program and opening up
fabulous new opportunities for
Brokers, General Agents, and Branch
Office representatives."

REPUBLIC NATIONAL LIFE Insurance Company • DALLAS, TEXAS

Life • Accident • Sickness • Medical and Surgical Reimbursement • Hospitalization • Group • Pension • Franchise • Brokerage • Plus Complete Reinsurance Facilities

BELIEVE ME... You Need All THREE

Mr. Agency Builder:

You should be making all those commission dollars that go with selling *complete* coverage to your clients:

1. Life—Par and Non-Par
2. A & S and Hospitalization
3. Group Life and Group A & S

AND, BELIEVE ME, YOU NEED ALL THREE A & S COVERAGES:

1. Non-Cancellable
2. Guaranteed Renewable
3. Renewable-at-option-of-Company

AND THEN ADD THESE THREE . . .

- 1) Top-Commission Agent's Contract;
- 2) Well-balanced General Agent's Contract providing liberal overwriting, liberal expense allowance, and higher life-time compensation in service fees;
- 3) New Induction Program—completely flexible for new agents, established producers, and brokers alike;

... and in our book that totals up to a client-pleasing, money-making, Agency Building opportunity for you—right now—with . . .

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Insurance Company
COLUMBUS 15, OHIO

GENERAL AGENT OPPORTUNITIES
Write, Wire, Phone
FREDERICK E. JONES, President
HOWARD W. KRAFT, Vice President
and Director of Agencies

Conventions

Dec. 7-8, Assn. of Life Insurance Counsel, annual, Waldorf Astoria Hotel, New York.
Dec. 8, Institute of Life Insurance, annual, Waldorf Astoria Hotel, New York.
Dec. 8-10, Life Insurance Assn. of America, annual, Waldorf Astoria Hotel, New York.
Dec. 27-30, American Assn. of University Teachers Of Insurance, annual, Washington Hotel, Washington, D. C.

1960

Feb. 15, Insurance Economics Society, executive committee, Drake Hotel, Chicago.
Feb. 19-20, New York Life Underwriters, general agents & managers conference, Queensbury Hotel, Glens Falls.
Texas Tri-City Sales Congress, Feb. 25, Dallas; Feb. 26, San Antonio, Feb. 27, Houston.
March 14-16, Life Insurance Agency Management Assn., agency management conference, Royal York Hotel, Toronto, Canada.
March 20-24, National Assn. of Life Underwriters, midyear, Louisville.
March 24-25, Society of Actuaries, eastern spring meeting, Mayflower Hotel, Washington D. C.
April 11-13, Life Insurance Agency Management Assn., accident & sickness meeting, Edgewater Beach Hotel, Chicago.
April 27-29, Life Insurance Agency Management Assn., combination companies conference, Hollywood Beach Hotel, Hollywood Beach, Fla.
May 5-6, Society of Actuaries, western spring meeting, Roosevelt Hotel, New Orleans.
May 9-10, Assn. of Life Insurance Counsel, midyear, The Greenbrier, White Sulphur Springs, W. Va.
May 9-11, Home Office Life Underwriters Assn., annual, Sheraton-Plaza Hotel, Boston.
May 15-18, Life Insurance Agency Management Assn., agency officers round table, The Homestead, Hot Springs, Va.
May 16-18, Insurance Accounting & Statistical Assn., annual, Hotel Sherman, Chicago.
May 16-18, Health Insurance Assn., annual, Statler Hilton Hotel, Dallas.
May 19-23, MDRT annual, Hawaiian Village Hotel, Waikiki Beach, Hawaii.
May 23-27, Life Insurers Conference, annual, Roosevelt Hotel, New Orleans.
May 30-June 1, American Life Convention, medical section, The Greenbrier, White Sulphur Springs, W. Va.
May 30-June 3, National Assn. of Insurance Commissioners, annual, Fairmont Hotel, San Francisco.
June 22-25, Texas Life Underwriters, Brownsville.
July 7-9, International Assn. of Insurance Counsel, annual, The Greenbrier, White Sulphur Springs, W. Va.
July 17-20, Consumer Credit Insurance Assn., The Greenbrier, White Sulphur Springs, W. Va.
July 21-23, National Assn. of Life Companies, annual, Skirvin Hotel, Oklahoma City.
August 22-24, International Federation of Commercial Travelers Insurance Organizations, annual, Queen Elizabeth Hotel, Montreal, Canada.
August 30-Sept. 2, National Insurance Assn., annual, di lido Hotel, Miami Beach.
Sept. 11-16, National Assn. of Life Underwriters, annual, Statler & Mayflower Hotels, Washington, D. C.
Sept. 16-28, Life Office Management Assn., annual, Royal York Hotel, Toronto, Ont., Canada.
Sept. 18-21, International Claim Assn., annual, Whiteface Inn, Whiteface, N. Y.
Sept. 21-23, Life Insurance Advertisers Assn., annual, Essex House, New York.
Sept. 26, Fraternal Actuarial Assn., annual, Queen Elizabeth Hotel, Montreal, Canada.
Sept. 26-28, National Fraternal Congress, annual, Queen Elizabeth Hotel, Montreal, Canada.
Oct. 10-11, Conference of Actuaries in Public Practice, annual, Drake Hotel, Chicago.
Oct. 10-14, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
Oct. 19-21, Society of Actuaries, annual, Edgewater Beach Hotel, Chicago.
Nov. 2-4, Institute of Home Office Underwriters, annual, Statler Hotel, Washington, D. C.
Nov. 14-17, Life Insurance Agency Management Assn., annual, Edgewater Beach Hotel, Chicago.
Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, regular meeting, Commodore Hotel, New York.
Dec. 12-13, Assn. of Life Insurance Counsel, annual, Waldorf-Astoria Hotel, New York.
Dec. 14-15, Life Insurance Assn., Waldorf-Astoria Hotel, New York.

Interstate Holds Open House

Interstate Life of Houston held an open house Nov. 30, at which Gov. Daniel was guest of honor. The occasion celebrated the completion of the company's new home office at 5650 Kirby Drive.



out in front

A Bankerslifeman is our contact with the public. The impression he creates is a reflection upon himself . . . our Company . . . and the entire insurance industry. He is truly the man who is "out in front."

This is why we carefully choose and thoroughly train every Bankerslifeman. He is taught to take a professional view of his work—service becomes his watchword. He is given a thorough knowledge of life insurance and its many uses so he may have both the desire and the skill to give competent counsel and service.

A Bankerslifeman knows he is "out in front" in another way—he knows his Company is one of the true pioneers in developing new ideas to fit the changing needs of the public. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option* and the *Wife Protection Rider* in his brief case.

BANKERS *Life* COMPANY
DES MOINES, IOWA

*Interested in additional tax
savings for your clients?*

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OF MATURING ENDOWMENT AND
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MINIMUM PURCHASE \$10,000 • NO LIMIT

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ESTABLISHED 1954

Editorial Comment

100,000 Bets Against Inflation

On Oct. 6 something happened in hundreds of banks across the country which suggests that the American public's attitude toward fixed dollar investments—a subject close to the life insurance industry's heart—is a lot more friendly than life people have been assuming. For on that day more than 100,000 individual investors lined up at bank windows and slapped down almost a billion dollars in cash for the Treasury's 5% notes, which won't mature until 1964.

The surprising thing about this Oct. 6 \$2.2 billion offering, almost half of which was bought by individuals, is that it was put on the market with a minimum of fanfare. Wall Street knew about it, and some coverage was given it in newspapers and on radio and TV. But the interval between the Treasury announcement and the sale date was only a couple of days.

In other words, 100,000 investors were looking for an attractive fixed-dollar investment. The Treasury accepted subscriptions to the notes only on the one day, so there is no telling how many thousands of other people were unable, because of a variety of circumstances other than economic, to take advantage of the "Magic Fives," as they have since come to be known.

The quick sellout helped establish a few facts about the investment attitude of these 100,000 individuals that probably apply to many more as well.

For one thing, they are not afraid of a fixed-dollar investment. They have enough faith in the future soundness of the dollar to lock up their cash in a guaranteed investment that doesn't promise the moon, but does offer a tempting return. Or, even if they are concerned about inflation, they believe that it will eat away at their investments at a rate considerably less than 5% per annum over a five-year period.

What is still more interesting is that nobody had to sell these people the offering. They went out and bought on their own—a fact that could be a very encouraging sign for life insurance sales personnel.

The life insurance business has, over the past several years, been justifiably concerned with the dangers of inflation and over what appears to be a trend toward equity investments and away from fixed-dollar investments, such as life insurance. The Treasury's Oct. 6 sellout hardly represents a complete reversal of field by the investing public, but it does indicate that a closer look at the current attitude is in order.

It suggests, for example, that many life insurance prospects who claim they are worried about inflation and what it can do to fixed dollar investments, have, in reality, simply latched on to another pat excuse, much like the old one of "I've got a brother who's an agent."

Furthermore, even if a prospect's concern about inflation is sincere, there isn't much he can do about it. He probably has no anti-inflation program, or, having one, is unlikely to carry through on it. But, by putting his money in a life policy, he can directly join in the fight for a stable dollar, have the built-in protection offered by life insurance, and still receive a reasonable appreciation on his investment.—W.M.M.

Personals

Ronald G. Stagg, vice-president Lincoln National Life, was general chairman of the 1959 United Fund Campaign for Fort Wayne and Allen Counties. He was responsible for building an organization of some 1,500 volunteer workers. More than \$1,250,000 was raised during the drive.

Charles E. West, retired vice-president and actuary of Provident Mutual Life, has been elected a director of Harleysville Mutual Casualty.

Stratford L. Morton, retired general agent for Connecticut Mutual Life, is to be honored with a "Stratford Lee Morton Hall" at the Museum of Science and Natural History at Oak

Knoll, Mo. Mr. Morton was board president of the Academy of Science of St. Louis from 1946-48 and since 1952.

H. Everett Woodruff, vice-president, portfolio, of New York Life, has been named uptown chairman of the Manhattan men's general solicitation committee for the 1959 Family Fund campaign.

William W. Cary, secretary of the board of Northwestern Mutual Life, has been elected president of Wisconsin chapter of Public Relations Society of America.

Cyril C. Sheehan, executive vice-president of Guaranty Security and former Minnesota commissioner, has been promoted to brigadier general of the marine corps reserve. He was a member of the first marine battalion which was formed in Minnesota in 1939.

Robert E. Olmsted, general agent of Mutual Benefit Life at Providence, has been elected a trustee of Bryant College.

Deaths

JAMES T. CARTER, 85, president and general counsel of Southern Aid Life, died at Richmond. Mr. Carter had been with the company for 60 years and had been general counsel since 1918 and president since 1921.

VIRGIL K. HOWARD, 52, executive vice-president and agency director State Life of Illinois, died at Springfield. One of the original organizers of State Life, Mr. Howard was with Pioneer American Life from 1942 to 1948. In 1948 he organized American Investors Life of Dallas and later sold his stock interests.

B. W. REAGLES, 66, retired agency supervisor of National Guardian Life at Milwaukee, Madison and Minneapolis, died at Madison. He was a past president of Milwaukee Assn. of Life Underwriters.

PAUL B. KENNEDY JR., 52, chief auditor of Colonial Life, died of a heart attack at his home in East Orange, N. J. He had been with Colonial for 30 years.

ARTHUR DEVINE, 70, former editor of Northwest Insurance, died at St. Paul, presumably of a heart attack while in a swimming pool. He was with Prudential for 48 years and was

district manager at St. Paul for 27 years. He retired in 1953 and went with Northwest Insurance. Mr. Devine was a past president of St. Paul Life Underwriters Assn. and St. Paul General Agents & Managers Assn. A son, J. Peter, is manager at St. Paul of Occidental Life of California.

JOSEPH T. GALLAGHER, 74, superintendent of claims of Northwestern Mutual Life until his retirement in 1952, died of a heart attack at Cleveland, O. He joined the company in 1916.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. La Salle St., Chicago, December 1, 1959

	Bid	Asked
Aetna Life	88	89
Beneficial Standard	163 1/4	171 1/4
Business Men's Assurance	40	41
Cal.-Western States	112	115
Commonwealth Life	21	22
Connecticut General	349	354
Continental Assurance	146	150
Franklin Life	75 1/2	77
Great Southern Life	83	85
Gulf Life	21 1/2	22 1/2
Jefferson Standard	99	101
Kansas City Life	1440	1475
Liberty National Life	61 1/2	63
Life & Casualty	21 1/2	22 1/2
Life of Virginia	49	50
Lincoln National Life	230	235
National L. & A.	105	107
North American, Ill.	15 1/2	16 1/2
Nw. National Life	98	102
Ohio State Life	295	315
Old Line Life	75	80
Republic National Life	69	72
Southland Life	98	102
Southwestern Life	60	62
Travelers	90	92
United, Ill.	47 1/2	49
U. S. Life	41 1/2	43
Washington National	58	59 1/2
Wisconsin National Life	41	44

Fraternalists Authorized To Write Full Lines In N. J.

TRENTON—Gov. Meyner has signed a series of three bills providing for a general revision of existing law and authorizing qualified fraternalists to write a full line of coverages under supervision of the insurance department.

The bills, which were sponsored by Sen. Jones of Bergen County, also would repeal certain obsolete statutes and would subject fraternal A&S coverages to the requirements of existing laws in the field and technically change the law governing service of process on out-of-state fraternal groups.

Slate CLU-CPCU Breakfast For Insurance Teachers

American Institute and American College will entertain American Assn. of University Teachers of Insurance at a joint CLU-CPCU breakfast in Washington, D.C., Dec. 28, during the association's annual meeting. The breakfast has been a traditional function at the AAUTI meeting for a number of years.

Central Michigan CLUs Hear John Overbeck

Central Michigan CLU chapter heard John A. Overbeck, Chicago tax attorney, speak on "Corporate Life Insurance" at its annual fall dinner. Seven new members were inducted into the chapter: George L. Granger and Kermit C. Ohl, Lansing; Robert C. Harper, St. Johns; James S. Siemens, Battle Creek; and Martin J. Beckers, Cyrus G. Lewis and E. R. Sutton, Flint.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper of Life and A&S Insurance

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Bumper Idea Crop Given Agents At Chicago Meetings

(CONTINUED FROM PAGE 8)

a salesman in our field but very hard to be a conscientious, professional workman," he said. "We won't rile people up for fear of losing an easy sale." For instance, refusing to sell a small policy on an infant and insisting that the head of the house be more properly insured might cause ruffled feelings "but no compromise is possible if the agent is to do his job properly."

"Be blunt and unyielding," he said. "Doctors are. Facts are facts. Don't compromise because of an awkward sales position." He said that to many people the life agent is a high pressure salesman pushing his merchandise, "but when you walk in to pay a claim it is a different story. We don't create the needs; we only uncover them." When talking to prospects, Mr. Semptean asks himself, "If this were my family, what area would I leave uncovered?" He then goes ahead and draws a straight line to proper coverage. Our biggest competitor is death," he said. "He won't compromise. Should we?"

Must Follow Basic Principles

In the area of compromising with himself, he said that in the life insurance sales basic disciplinary principles must be followed. Few, if any, agents like to canvass, for instance. The same is true in varying degrees of service calls and certain other facets of the life agents' daily activities. All of these measures call for self-discipline and no compromise, but they also put the agent in a new business situation, he pointed out.

Alden C. Palmer, Indiana insurance commissioner, raconteur and super good will salesman for the state of Indiana, regaled his audience with a number of stories and homespun situations before getting down to the serious subject of "This Changing Business."

Mr. Palmer pointed out that not too long ago to cover even a short distance took a matter of several days. Now the same distance takes minutes or hours. The unbelievable has happened; the unimagined has become a reality," he said. Various wonderful types of farming machinery, movies, TV, radio, jet planes, all of these have been developed in the past 50 or 60 years, he noted. Also greater industrial progress has been made in these few decades than before in all history.

Approaching A New Age

"We are now approaching a new unbelievable and unimagined age. The atomic age will bring just as many changes as the age previous. A great many things have also come about in life insurance." Life insurance used to cover the cost of dying only. This was the only need of life insurance. There was no retirement, no juvenile insurance, no insurance for married women—big changes have been made and bigger changes are coming. "The world is moving fast and you are on the threshold of a new era. You are going to see this and must be prepared to cope with the various situations as agents."

A man who could sell \$75,000 of insurance in his first year before World War II was considered on the way, said Mr. Palmer. He queried, "What do you think of this figure now?" He



Outstanding participation in the use of the suggestions system in the U.S. Department of Commerce is recognized by National Assn. of Suggestion Systems as Henry W. Newbegin, association president and suggestion system secretary of John Hancock, presents a performance award to Commerce Secretary Frederick H. Mueller at meeting in Washington, D.C.

advised his audience to develop better self-organization and better self-discipline and be alert to ideas. "If the life agent will keep pace, he must study and keep his mind active. There is no problem for the agent to find ways to broaden his mind today business-wise. We have all kinds of schools for the businessman. A few years ago in the life insurance business there were possibly a few agency schools and that was about it. The picture has vastly changed."

On the outside, the responsibility of the agent is to know how to interpret and apply life insurance needs to others. "If you don't do it, who will? You are not selling insurance properly if you leave your clients in a position so they die without taking proper care of their families. When you feel you are measuring up to these responsibilities, you will be greatly rewarded."

"Solid Gold House" Viewed

Franklin C. Tyson, Connecticut General Life, president of the North Shore branch of the Chicago association, presided at the morning session, and William E. D. Moore, district manager State Farm Life, president of the West Suburban unit, presided in that area. William Manbeck, New York Life, and Robert C. Fagan, Sun Life of Canada, were co-chairmen.

The film, "Solid Gold Hours", was presented at both meetings courtesy of New York Life. The color sound movie was done by professional Hollywood actors, including Monty Woolly, and depicted a number of ways in which to provide more time for face to face selling by avoiding situations which on the surface seem important but which must be avoided in order to get out on the street.

Beneficial Buys Vermont Acc.

Beneficial Fire & Casualty, Beneficial Standard Life affiliate, has purchased Vermont Accident of Rutland, which has been writing A&S, mostly group, in Vermont, New Hampshire, Maine, Pennsylvania and Indiana.

Republic National GAs Meet

A general agency seminar was conducted by Republic National at Dallas under the direction of H. R. Hunke, assistant vice-president and director of general agencies. Program for the 3-day meeting covered new services offered by the company and opportunities in the expanding general agency operation.

memo to insurance executives...

Is Group Insurance For You?

North American Reassurance Company is pleased to announce publication of "Is Group Insurance for You"—a new study by Wendell Milliman, well-known consultant on group insurance. If your company is interested in learning more about entry into this important field, or needs help in deciding whether or not to enlarge your present efforts—and if so, in what direction—we believe you will find this work of real value.

The author discusses the growing importance of group insurance, what it is, who writes it and who buys it. This 50 page study also deals with the marketing, administrative, underwriting and costing phases of group business, and outlines other important considerations faced by companies entering the group field.

Complimentary copies of "Is Group Insurance for You" are available to interested home office executives without cost or obligation. Simply attach your personal or business card to this advertisement and mail today to...



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industry



SUN LIFE ASSURANCE COMPANY OF CANADA

\$8 BILLION LIFE INSURANCE IN FORCE

Arden-Freydberg Case Said To Have Many Counterparts

(CONTINUED FROM PAGE 1)

ceived no commissions at all during the past year and as to the coming year—well, how does the president's wife know how much commissions she is going to receive in the next 12 months? She might find selling life insurance to be such jolly fun that she gives it all her available time and makes a simply smashing success of it. This rarely happens, of course, but who can say that it couldn't—especial-

ly at the time one is filling out a license application blank.

Apparently the increasing prevalence of sales in which the agent is either completely frozen out or is forced to share his commissions generously with others as a condition of getting anything at all is due to the large size of many of the business insurance policies being written. The buyer begins to think about the amount

of the commission the agent will receive.

"Years ago, the prospect would just have come right out and asked the agent for a rebate," said one life insurance man. "Today, he's not so crude. He finds there are legal ways of channeling all or some of this commission to persons other than the agent."

Most life insurance men blame the

license laws for the present situation. Even in New York state, which is supposed to have insurance laws that are among the strictest in the nation, the life agent's license examination is one that any intelligent layman can pass with a modicum of study. There is no experience or classroom study requirement, as there is for a license to sell property and liability cover-

Would Object To Curbs

At the same time, there would certainly be plenty of opposition to putting in any requirement that would make it more difficult than it now is for new life agents to go out and sell and earn commissions. It would be extremely difficult to draft laws that would curb the one-case agent without hampering the new man who really means to make a career of selling life insurance. Laws could probably prohibit such obvious incongruities as licensing a corporation president's wife so she could write a business insurance case on her husband's company, but in the more numerous and less obvious and clear-cut cases, legislation presents a tough problem.

Nevertheless, it appears that the Arden-Freydberg case has so spotlighted the situation that more active efforts will be made to get curbs with some teeth in them. For one thing, there is the likelihood that as news of the verdict gets around it will put ideas into heads that otherwise might not have conceived them. The more aggravated the situation becomes, the better chance there would appear to be of something being done to correct it.

Pa. Law Permits Domestic Life Companies To Acquire Other Stock Companies

HARRISBURG—Gov. Lawrence has signed a bill which permits domestic stock life companies to buy stock in other life companies for acquisition purposes.

The law stipulates that acquisition must take place within 18 months, unless the time limit is extended by the commissioner.

After lapse of the 18-month period the commissioner may require the purchasing company to sell the stock if he is satisfied that the acquisition was not solely for the purpose of directly acquiring the selling company's business, or business and assets.

St. Louis Agents Set Dec. 8 Luncheon For Their Fund

St. Louis Life Underwriters Assn. has set aside its Dec. 8th luncheon for contributions for the association scholarship fund.

The fund was established in 1927 and proceeds are distributed to St. Louis and Washington Universities. The money is given to a widow's club. "One whom life insurance would have helped."

Funds are also being raised this year through the sale of Christmas cards.

The main speaker at the luncheon will be Philip B. Noah, agency director American National, Oklahoma City, who will speak on "Building Prestige in the Community."

Life Agency Supervisors Club, Chicago will hold its Christmas party Dec. 10 at the Midland Hotel. Joseph S. Bomba of Lincoln National Life, 105 South La Salle Street, is in charge of reservations.

Gives the Policyowner

F. F. O. A.

Future Freedom Of Action

The Manhattan Life's New

Adjustable Whole Life Policy

In this fast-changing world isn't it harder than ever for a policyowner to tell what his most important future insurance need will be? Why ask him to predict or guess his future needs?

The Manhattan Life's New Adjustable Whole Life Policy has built-in *guaranteed* future flexibility. It's the modern policy to meet modern conditions.

Add a Manhattan Life Rider to this outstanding new plan and the flexibility increases, along with the low cost protection.

At the start, there's a reduced premium for the first two policy years . . . just one of many appealing features. Then, when the premium increases slightly, dividends, as declared, may be used, if desired, to reduce the premium, so that chances are the net premium (premium minus dividend) will remain appealingly low.

Limited Payment Life Option

After the policy has been in force five years, the policyowner may decide he'd like to have a Limited Payment Policy, which after a certain number of years will be paid-up with no more premium payments. He may have just that by paying a little more premium. He has five years in which to decide.

Retirement Income Option

When he is 55 or more years old, and the policy

has been in force at least ten years, he may, if he wishes, surrender the policy and receive a monthly life income.

At the same time, he may, if he wishes, arrange to provide

Additional Life Income

Suppose he'd like more monthly life income than provided by surrendering the policy. He may have it by paying The Manhattan Life in one sum an amount to increase the monthly life income to \$10 per \$1,000 of insurance on the Insured's life alone or \$7.50 per \$1,000 of insurance on the Insured's and one other life, with monthly income continuing to the last survivor — an ideal arrangement for husband and wife!

It's Participating

Dividends, as declared, may be used to reduce the premium, left to accumulate at interest, to purchase additional paid-up insurance, or paid in cash.

Ask The Man From Manhattan About These Features . . .

Wide choice of Settlement Options, not just one or two. • Depending upon amount of policy and age of applicant, policy may be issued on non-medical basis, that is without a medical examination. Ask for complete information. • Issued to women and they are eligible for Waiver of Premium Benefit on same basis as men.



Waiver of Premium is included without specific extra charge in all standard policy issues.

Our 2nd Century

Sub-Standard Issues Considered to 1,000% Mortality whether the Applicant is a man or a woman.

THE MANHATTAN LIFE INSURANCE COMPANY
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Home Office: 111 West 57th Street, New York 19, N. Y.

The Adjustable Whole Life Policy is available in most of the States in which the Company operates.

Suggests 'Entirely New Approach' for Federal Life Insurance Tax

(CONTINUED FROM PAGE 2)

vestment income allocated to policyholders (including pension reserves) would recognize the generally accepted fact that this is the only source of personal income generated by life insurance companies. In light of the fact that this income almost wholly escapes federal personal income tax, except for interest income reported by annuitants, it would be appropriate to impose a withholding tax at a standard flat rate.

However, no attempt should be made to allocate the tax to individual policyholders. In the case of participating policies of both mutual and stock companies, the tax would reduce policy dividends. Stock companies could recoup the tax on non-participating policies through their premium-loading charges.

Could Gradually Rise

While the lowest bracket income tax rate would be appropriate for this purpose, the tax could initially be imposed at a lower rate and gradually increased over a transition period. A 20% rate would raise about \$525 million, at 1958 levels.

In consideration of its imposition as a withholding tax on policyholder income, provision could be made for a tax credit of an equivalent amount when and if such income is later included in the personal income tax returns of the insured and annuitants. Annuitants would be most concerned. Present law already provides a tax credit of 20% on unearned incomes up to \$2,400, which could be enlarged for this purpose.

Imposition of a comparable tax on the net investment income of trustee pension funds would tap another rapidly growing source of income that now escapes current taxation. Employees are the sole beneficiaries of this income which, together with employer contributions, is not taxed until received upon retirement. At 1958 levels, a 20% rate would produce an estimated \$150 million revenue.

Since investment earnings on non-insured pension funds are comparable to the earnings of insured pension funds, it is difficult to justify taxing one without the other. Discriminatory taxation of life insurance funds (together with state premium taxes and other factors) has placed insurance companies at a competitive disadvantage and helped contribute to a declining share of the business. In view of the growing importance of these earnings, which enjoy a preferred tax status, it would appear desirable to tax the net investment income of both insured and non-insured funds rather than to exempt it.

Would Depend On Type

The incidence of such tax would depend on the type of pension plan adopted. Where employers contribute simply a percentage of the employee's compensation, the tax would tend to reduce pension benefits unless it could be shifted to employers through higher contributions.

Where employers provide a fixed retirement benefit based on average earnings, length of service and other factors, it would increase employers' costs. In the long run, therefore, the tax on employer contributions would be reflected in lower pension benefits.

Since the life insurance company itself typically retains substantial gains from operations, which benefit policyholders only incidentally it would appear appropriate to tax such retained earnings as corporation profits. Such taxable income would include all gains not irrevocably set aside for the policyholders, and would, therefore exclude any additions to policyholders' reserves. No distinction should be made among different types of business, including insurance, individual and group annuities, credit life, health and welfare, and related businesses.

The proper measure of such taxable earnings would be "net gains from operations after dividends to policyholders," adjusted to insure comparability among insurance companies and conformity to established income tax conventions. Credit probably should be allowed for dividend income received. After appropriate adjustments, a tax of this sort should yield over \$200 million annually, against the \$40 million estimated revenues for 1958.

Sees Need To Close Gap

Full taxation of stock company underwriting profits is clearly dictated by the need to close more tightly this major gap in the federal income tax structure. There is nothing in the nature of the insurance business or structure of the industry that justifies continued preferential treatment of its earnings.

The incidence of such tax would be on the stockholders, and stock companies would not be placed at a competitive disadvantage in the net cost of their insurance contracts. Comparable taxation of mutual companies' surplus not allocated to policyholders

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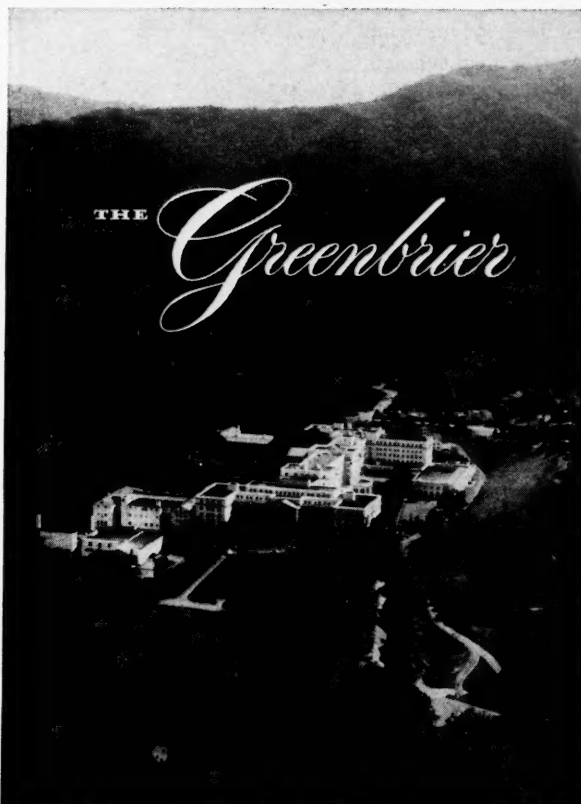
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would further insure tax parity in this respect. Insurance companies would also be brought into better alignment with casualty companies in the taxation of income on accident and health insurance.

'Largely Escapes Personal Tax'

Excerpt No. 2: Federal taxation of life insurance companies should take into account the fact that life insurance largely escapes the personal income tax. Proceeds of policies paid by reason of the insured's death are specifically exempted from income tax.

The investment income earned over the policyholder's life is thus analogous to unrealized capital gains transferred at death, being completely tax free.

If the policyholder surrenders his policy for cash or before maturity, he is subject to income tax on any amount received in excess of net premiums paid during the policy's life. Little or no gain is realized in most of these cases because the cost of insurance protection generally exceeds the interest on the reserves. However, interest paid on matured policies left

with the company is legally subject to tax as it accrues.

The limited income-tax possibilities of life insurance are indicated by the claim experience in 1958, when death benefits amounted to \$2.9 billion, against \$1.4 billion on policies surrendered, \$700 million on matured endowments and \$100 million on disability.

Earnings on annuity contracts are not subject to personal income tax until receipt of the annuity. In general, annuities (including pensions) are taxed on the excess of payments

received over the cost of the contract to the annuitant.

This excess is generally prorated annually over the expected payment period in accordance with actuarial tables prescribed by the Treasury Department. For example, if an annuity contract paying \$1,000 yearly for life costs \$9,000 and annuity tables indicate 15 annual payments, aggregating \$15,000, 60% of the annual return (\$9,000 ÷ \$15,000) represents return on the annuity's cost and 40%, or \$400, is taxable income.

Cites Double Exemptions

Annuities payable after age 65 are, of course, generally favored with lower tax rates because of double exemptions, reduced earned income and reduction for the retirement-income credit (20% on unearned income up to \$2,400 yearly).

Of the total annuities in force in 1958, only 20% were currently paying out income; about two-thirds were fully paid but not distributing income and 13% were not yet fully paid for. The great majority of these contracts, therefore, represent deferred-income annuities on which interest accumulates some time before it is paid out and exposed to personal income tax.

Policyholder Bears Incidence

As previously indicated, the net investment income of life insurance companies is now subject to a low effective tax rate. Although the tax is assessed on the corporation, there can be little doubt that the policyholder bears its incidence. In the case of a participating policy the tax reduces dividends otherwise payable to the policyholder; a non-participating policy generally includes it in the loading charge assessed in pricing the insurance. Properly assessed, such a tax on net investment income therefore does not discriminate in the competitive pricing of insurance by mutual and stock companies.

From the policyholder's viewpoint, the low federal taxation of life insurance income provides a tax haven comparable to that afforded by tax exempt securities. No competing form of savings institution can match its tax advantages, particularly among higher income groups. Interest on mutual savings bank deposits and dividends of savings and loan associations are taxable at ordinary income tax rates, ranging up to 91%, as currently earned. The tax advantages of life insurance must have contributed to its phenomenal growth in the United States.

Role Of State Taxes

Excerpt No. 3: Because of their concern that insufficient consideration had been given to its economic impact, a minority of the ways and means committee seriously questioned the effect of heavy state and federal insurance taxes on incentives to save and provide for family security, and the industry has made repeated claims that life insurance is the most heavily taxed form of thrift in the United States. State premium taxes are estimated at \$240 million for 1958, and may reach about \$300 million in 1959. The combined 1959 industry tax load will thus be about \$800 million.

State premium taxes were introduced early in the 19th century, principally in connection with the regulation of insurance companies. Such taxes on life, casualty and fire insurance premiums are now an important source of state revenue, amounting to about 3% of their total tax receipts. They have been expanded to the point

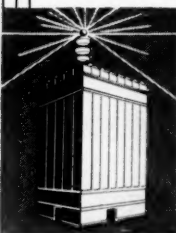
Does the marketing revolution in life insurance threaten the agency system?

■

It is commonplace to say that the agency system built the life insurance business... because it's true. The agency system means the *agent*—the hardworking, sincere, dedicated agent. Not the casual agent who didn't bother to really learn the ways his product serves people—not the selfish agent who put his own interests above his client's or his company's. The man who built the business was the man who sincerely believed in life insurance as the best answer to the inevitable economic problems of life... who *capitalized* on the changing economic pattern of our economy and found in each change a new challenge and a new opportunity for life insurance to serve the people... who believed his income should be geared to the results he produced with a ceiling imposed only by his own abilities and efforts.

This is the man who will continue to build the business. In new marketing methods, in the mass selling concept, in the family approach, in appealing "packages," there is no threat for him—there are only growth possibilities.

General American Life's philosophy of management is founded on him—and the system which he made possible. This philosophy is reflected in the company's products, its methods, and its agency contracts.



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where only a small fraction of the revenue is devoted to regulatory purposes, with the preponderance of receipts going into the general fund.

Application Varies

While they apply to all insurance premiums, there is considerable variation in their application: net premiums are used in some states, group premiums in others; annuities have increasingly been exempted as a form of savings, and an offset or exemption is state income tax otherwise applicable.

By some curious reasoning, industry spokesmen hold the federal government responsible for taking these taxes into account in the federal levy. One has gone so far as to propose that state premium taxes be credited against federal income tax liabilities. This position is based on the contention that Congress surrendered its regulatory and taxing power when it passed public law 15. This law consented to continued state regulation and taxation of the insurance business, which the Supreme Court declared to be interstate commerce and within the jurisdiction of the federal government.

Criticizes Premise

Since the federal government acquiesced in continued state taxation and regulations of what was essentially interstate commerce, it is claimed that the states are entitled to preempt any federal taxing authority otherwise applicable. According to Bell, "It follows logically that little or no federal income tax is properly payable by this industry."

This ingenious proposition is not supported by any precedent or logic based on federal-state relations. The fact that the federal government relinquished this area of regulation to the states does not preclude federal taxation of insurance companies any more than the federal taxing power should be diminished by state taxation of business conducted wholly within a state. Although the federal government acceded to the state taxation of insurance business which transcends state lines, clearly it did not at the same time relinquish its own power to tax the life insurance business.

Should Be Regulatory Only

It is difficult to justify state taxes on life insurance premiums other than on regulatory grounds. But it is known that the cost of regulation absorbs only a small fraction of the revenues. While the federal "double taxation"

would appear to intensify this penalty on prudence, the federal levy is based on taxable income (net investment income) that escapes the premium tax. In this respect, life insurance taxation conforms to sound principles of intergovernmental fiscal relations.

It is virtually impossible to determine the effect of life insurance taxation on the demand for life insurance and personal saving, through this channel. The insurance and savings elements are inseparably linked in ordinary life and other long-term, level-premium contracts. Taxation on in-

vestment income clearly increases the price, but the tax is very indirect and there is little or no awareness of its net effect by policyholders generally. It is unlikely that the new, higher, effective tax rate on investment income will have any discernible effect on its future growth, particularly in view of higher taxation of alternative investments.

Will Still Be Favorable

From a strictly investment viewpoint, life insurance income will continue to enjoy a very favorable tax

position under the new act, in comparison with other investments. Dividends, interest on savings deposits and private corporate and U.S. government bonds are subject to federal income tax rates up to 91%, in addition to state income taxes. Although interest on state local securities is tax free, the investor makes an initial sacrifice in yield that greatly exceeds the life insurance tax rate. The low federal life insurance tax rate, therefore, makes possible one of the most attractive forms of investment to middle and higher income individuals.

POLICIES SOLD BY MUTUAL BENEFIT AGENTS AVERAGE \$14,062

That's not the whole 1958 story!
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Why do Mutual Benefit Life agents write policies so much higher than the industry average?

First: Mutual Benefit Life's unusual personal planning for TRUE SECURITY appeals strongly to the man who has more to protect and more to spend for insurance.

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For these reasons, and others, the men who understand and value life insurance most seek TRUE SECURITY from Mutual Benefit Life. This also means True Security for the agents of Mutual Benefit Life and their families.

COMMODITIES UP

Thursday's Index Advanced 1 Point

\$1.2 Million Paid Out By Life Medical Fund In Year

Life Insurance Medical Research Fund has allocated almost \$1.2 million for research programs and research fellowships in the past year, according to the fund's annual report.

Aid was given to 114 different research programs and to 24 promising young men and women who have demonstrated their interest and ability in heart research.

During the past year, investigators aided by the fund have obtained new information about hardening of the arteries, coronary artery disease and high blood pressure.

Since 1945, when the fund was first organized, its entire resources have been focused on heart disease, and thus far the fund has awarded a total of close to \$12 million for research programs and fellowships. The fund's financial support comes from a membership of more than 140 life companies in the U.S. and Canada.

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY, NEWARK, NEW JERSEY

Southwestern Life Ups Capital, Reduces Par, Has Stock Dividend

Stockholders of Southwestern Life have voted to increase capital from \$7.5 million to \$10 million by transferring \$2.5 million from surplus. New stock will be issued and distributed in a 33.3% stock dividend.

At the same time, the number of shares of Southwestern stock have been doubled by a reduction of the par value from \$10 to \$5. There are cur-

rently 750,000 shares of \$10 par and after the reduction in par and the payment of the dividend there will be two million shares of \$5 par. The distribution will be to stock of record Nov. 24.

A dividend of 20 cents will be paid on the \$5 par stock on Jan. 11 to stock of record Dec. 31. This is equivalent to 53.3 cents on the currently outstanding shares and compares with a 45 cent quarterly dividend formerly paid.

The last change in the capital structure of Southwestern Life was in 1956

when the capital went from \$5 million to \$7.5 million. Since then, insurance in force has increased 45% and assets have increased \$81 million.

Sets Million Dollar Conference

The first annual convention of the newly-formed Franklin Life million-dollar conference will be held May 5-8, 1960, at Castle in the Clouds, Lookout Mountain, Tenn. Membership is based on the production of \$1 million new paid face amount of business and annualized premium requirements in a calendar year.

Must Work Overtime To Keep Government Out Of Insurance: Reeder

Insurance men, doctors and hospitals must "work overtime" to improve services that would give the public the best dollar value and keep the government out of insurance. This advice was given members of Illinois A&S Underwriters' Forum at Chicago by Dr. Clifton L. Reeder, vice-president and medical director of Continental Assurance.

Explaining the physician and hospital viewpoints, Dr. Reeder said A&S insurers should realize that doctors are good business men who feel they are entitled to substantial fees in view of the amount of time and money they have put into education. Insurers should also recognize that hospitals have financial problems. Their nurses should be entitled to working hours and wages like other people.

He declared that major medical is morally wrong because it tempts patients to cheat and doctors to charge more than they should. It is objectionable to doctors in that the payor feels he has the right to question the value of the doctor's services. Doctors insist that they be entitled to practice medicine without interference. Some, however, abuse the privilege by such unethical practices as giving unnecessary treatment, he said.

The financial aspects of medicine should be brought out into the open, Dr. Reeder advised. "I believe people should talk openly with their physician about what the cost will be to get the services of that physician."

Mass. Mutual Rates Now 4% On Advance Premiums

Massachusetts Mutual has increased from 3% to 4% the rate of interest for discounting premiums paid in advance, bringing the rate to its highest level in 25 years.

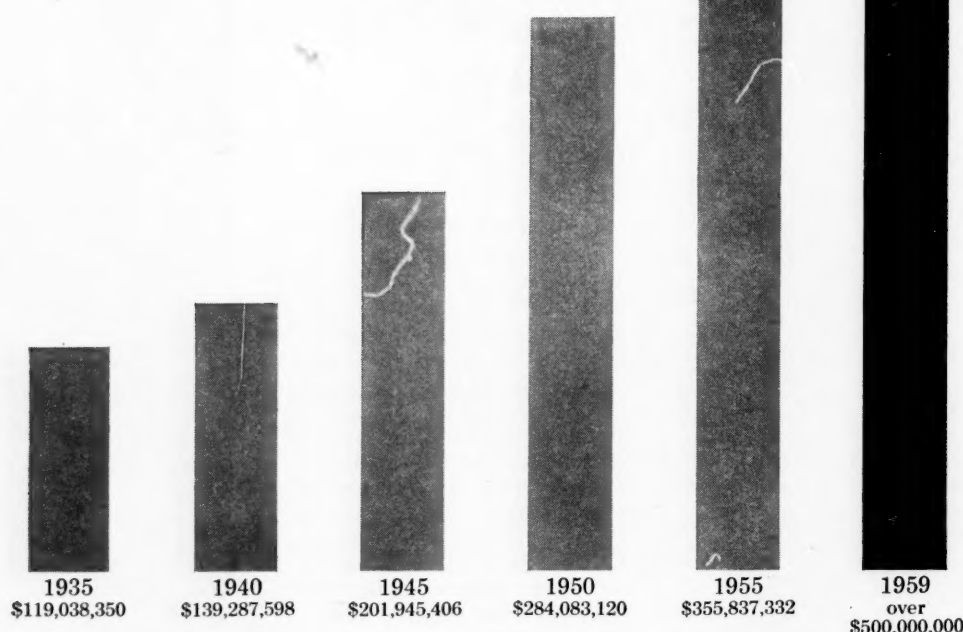
The company also increased its refund guarantee on unearned premiums payable at the time of death or disability. If insured dies or becomes disabled under a policy having a disability provision, his prepaid premiums will be refunded with interest at 4% per year.

If the policyholder requests a refund on prepaid premiums, he will receive the amount deposited if the refund is made within one year and four months after deposit, and 95% of the death or disability refund, if the refund is made at any time thereafter.



Jerome M. Powell, president of Loyal Protective Life, right, receives final tabulation of the company's 1959 United Fund campaign from Ray L. Hurd, Loyal's fund chairman. Home office employees pledged to the fund 15% more than the award winning total pledged in 1958, when Loyal received a gold medal award from Boston United Fund. The company also won the award in 1957 and now qualifies for another for 1960.

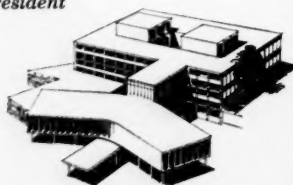
Now Guarantee Mutual has over \$500,000,000 Ordinary Insurance in force



These figures graphically illustrate Guarantee Mutual's sound, distinctive growth pattern—insurance in force has almost doubled in just ten short years.

This growth reflects two important phases of company progress: (1) the outstanding success of a well trained field organization who have enthusiastically adopted the company's training and visual sales program, and (2) streamlined policyowner services in the new Home Office. These "men with the Guarantee" have helped build Guarantee Mutual while growing with the company and profiting from its growth.

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LIFE • SICKNESS • ACCIDENT • HOSPITALIZATION

Pacific Actuaries Elect Buckman, Discuss A&S Plans

(CONTINUED FROM PAGE 6)

insured simply to stay there.

Discussing the possibility of self-administration of hospital and medical programs for medium-sized groups, it was suggested that on a group of approximately 2,000 lives, statistical processes indicated that about 7% of the premium would be required to cover fluctuations. The employer should have some experience with an insured plan and the advisory committee should include representatives from the medical profession.

Another speaker suggested that companies had done a poor public relations job in allowing self-administered plans to squeeze out insured plans. The self-administered plan does have some hidden costs—such as the cost of bonding trustees and administrators. On the other hand, the insurance industry should appreciate that fees and commissions should only be paid for actual services rendered.

Discuss Recent Changes

There was also a discussion of the reasons underlying the recent changes in the California Unemployment Compensation Law. It was mentioned that the state fund started out with a substantial amount of money and this had grown to a total of \$144 million by the end of 1957. In addition, there were \$139 million earmarked for disability benefits from the unemployment fund.

Since all of this money had come from the workers, there was an argument presented for spending it on increased benefits before taxes were increased, and the legislature has entered upon a deliberate policy to reduce the reserves. The latest estimates available indicate that by 1963, the reserve will have been reduced to \$47 million. These estimates might be affected considerably if a large number of voluntary plans revert to the state,

but it is not certain how this will affect the reserve. No determination has yet been made of what the minimum reserve should be.

Another topic of discussion was ordinary life insurance. Three subjects were discussed under this main heading: Non-participating premium bases; possible changes in the standard non-forfeiture law, and the impact of the new income tax law on various aspects of life insurance.

Transcontinental Life Of Chicago Is Sold

Transcontinental Life of Chicago, which was chartered in Illinois last year, has been purchased by a group of Chicago business men. The purchasing group was formed by Charles E. St. Louis, well known in west coast life insurance circles and who has a 15-year background of selling and sales management in the insurance and investment fields. He has been named executive vice-president of Transcontinental.

Allen A. Freeman, insurance attorney and political leader, heads the new management as president. He was 48th ward alderman for Chicago for 12 years and a congressional candidate in 1958. Anthony Varese, Waukegan industrialist and McHenry County civic leader, headed the group's financing and will serve as chairman of the executive committee and a director. George P. Lilly, former chief actuary for the Kansas department, has been appointed actuary and office manager.

Transcontinental, under its new management, plans to handle all forms of life and A&S, as well as group. Home offices will be in the Palmolive Building.

Olympic National Life reports new business written during the first nine months was over 50% ahead of the same period last year. Insurance in force increased 16% since Jan. 1 to a total of \$87 million.

Supervisor's Duties Are Discussed At Indianapolis Meeting

(CONTINUED FROM PAGE 6)

through on plans you yourself work out," he urged. "Don't exalt the position of your supervisor; don't make him the man agents go to. That's your role."

Dollar for dollar, a good supervisor is the best investment an agency can make, Hastings A. Smith, New England Life, told the audience. The time to hire him is when the manager has an operation in which he can see the supervisor producing a profit.

Mr. Smith reported that he makes up a profit and loss statement on each supervisor each year and goes over it with him. "You also need such a statement to tie in his compensation so that it increases equitably after he reaches a break-even," he pointed out.

He said he expects a supervisor to be fully responsible for large production, and the only criterion of success or failure is profit or loss.

Using the LIAMA "K-A-S-H" formula for agents as a yardstick for

what to seek in a supervisor, Mr. Smith reported that in the K area (knowledge), he looks for a man with a minimum of three years in the business and one who has completed his company training courses, LUTC, and has started on CLU. In A (attitude), he expressed the opinion that loyalty and unselfishness are the prime requisites. Under S (skill), he looks for a man who is self-supporting through personal production. Specifically, he wants a man who has qualified for the company leaders' club (\$500,000 with \$6,000 of commissions) and who will continue to qualify. He must be able to do field work with men, to recruit, to train, and to supervise. Under H (habits), he must be a man who is well-organized, and reports should be required from him and studied by the agency head to make sure he has a balanced work schedule.

The January meeting of the association will be held Feb. 1 and features Ray Elliott, University of Illinois football coach.

Security American Life has moved to larger quarters at 1200 Home Federal Building, Memphis.



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CHICAGO, ILLINOIS

General Offices ALL AMERICAN BUILDING, PARK RIDGE, ILLINOIS

Buyers Hear Rinker On Three Important Phases Of Group

(CONTINUED FROM PAGE 5)

for employer consideration is that premiums paid by employers are tax deductible as business expenses, and the income received from such a disability program is not taxable income to the employee. This protection probably will be adapted in the early stages for the white-collar workers and management groups. Eventually every working man will require and want this guaranteed income insurance. It is quite important, he said, to recon-

sider the scale of life benefits for all employees and try to bring about a better proportion of life cover on the worker to that provided for those in management. Benefits should be paid to beneficiaries in monthly installments as a form of salary continuation during the period of adjustment following the death of the employee. "Selfishly, it is better underwriting for us and it is a much fairer program for everyone"

Trends in group coverage in the

area where values for employees are being accumulated offer many possibilities, he said. There is the plan whereby small amounts of paid up life are bought by the employee's contribution with the employer paying the balance of the cost of the decreasing term. In many situations this is an ideal plan, he declared.

Another method is to change over part of an employee's group insurance to life paid up at 65 so that an employee will have at least half of his group on a permanent basis when he retires at age 65.

A More Important Question

He said another more important question, to which the life industry has offered various solutions, is that of investment of pension funds in common stocks. In pension funding, the life business has been in a disadvantageous position both from the standpoint of the federal income tax law and the limitation on common stock investments. However, much progress has been made.

While there is much controversy as to the advisability of life companies going into the equity investment field

and away from guarantees, it seems practically certain, he said, that the trend in group pension coverages will be more and more to equity funding up to a maximum of 50% of the plan's assets.

Predicts Selling Basis

More and more personal coverage will be sold on a mass basis to employers, he predicted. This might include deferred compensation plans or split dollar plans and be written on a group basis so that the problem of insurability will be eliminated and so there would be no inequity with respect to certain individuals. All could be insured and the employer would not be concerned with possible rejection of coverage for a key employee as under ordinary selection.

Speaking solely of trends and problems, Mr. Rinker discussed the insurance industry's desire and need for freedom for experimentation. Chemists, scientists, and research laboratory technicians are constantly studying and dreaming of ways in which to make a product more useful to everyone. It is every bit as important that insurers have equal freedom so that mathematicians and actuaries may experiment with coverages in order to fully protect the welfare and health of people. "I would deplore legislation hampering freedom of experimentation in our products, or any other type of road-block which would slow our attempts to provide every working individual with at least basic protection."

Employer To Pay?

Another matter which might well be classed as both a trend and a problem, he said, is the possibility that all welfare plans, pension plans, employee benefits, will, in a few years, be paid for entirely by the employer. If this be true, there are dangers and difficulties which will require much cooperation between management and the insurance industry if they are to be overcome. That which a man helps to pay for is valued more highly by him. That which is given to him appears to have less and less value. As this trend continues, it is of the utmost importance that careful consideration be given to forcing a greater awareness upon working personnel of the value of the benefits provided them. The insurance industry will be glad to do everything it can to help, he said. Mr. Rinker said that the increasing cost of medical care is something which necessitates cooperation among insurers, management, the medical profession and hospitals. Insurers—pressed by competition—originally underpriced comprehensive major medical and other forms of medical expense insurance. The industry is now correcting this fault and, of necessity, correspondingly adjusting premium costs.

Room For Research

As an alternative to levying blind increases in rates, he suggested that there is room for considerably more research of claim payments, and that it is the obligation of the insurance industry through such research to ferret out the reasons for high costs and lend its influence to control these expenses.

The medical profession has been subjected to some criticism, he noted, because of possible abuses and seeming advantages taken of the benefits of medical plans. "The medical profession is one of the finest and most ethical in the country, but, as in any group, there are unfortunately a relative few who by their actions seem to stain medicine's bright symbol."

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ACTUARY

Here is an outstanding opportunity for a young man with several years' experience in the actuarial field.

AMERICAN REPUBLIC INSURANCE COMPANY of Des Moines, Iowa began writing life insurance in 1951 and now has \$43 million of life insurance in force, in addition to its annual accident and sickness premium volume of \$23 million. The Company has been using the services of a consulting actuary and at present has no actuary on its staff.

Besides several years' actual experience in the field, the man desired should have passed some examinations and should be approaching at least Associateship in the Society with a desire to complete the work for a Fellowship. This is an unequalled opportunity for an actuary to build his own department while experiencing the excitement of growing with a small life company, but a company which is at the same time financially sound with above-average resources as a result of a highly successful accident and sickness business.

Preferred is a man 30 years of age or younger. The position offers outstanding salary potential and excellent employee benefits in addition to the freedom to study and to attend Society and other meetings.

Expenses of moving to Des Moines would be paid by American Republic Insurance Company. Write to: Mr. Watson Powell, Jr., Executive Vice President, American Republic Insurance Company, P. O. Box 1296, Des Moines, Iowa.

LIFE INSURANCE HOME OFFICE STAFF OPENING

One of the largest national life insurance companies domiciled in Chicago has opening on home office staff. Duties include supervision of education and training activities, creation of proposals and sales material, aiding in sales campaigns and conventions. Personal production and training essential. Knowledge of advanced underwriting preferred. Excellent opportunity initially with unlimited growth potential. Salary commensurate with responsibility. If interested give complete resume of your background and experience. Inquiries will be held in strictest confidence. Our staff knows of this ad. Write Box K-87, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OVERSEAS OPPORTUNITY

\$500 MILLION ORGANIZATION has opportunity for experienced life insurance salesmen to write life business on American military personnel in Germany. Transportation to Europe paid for by Company and income guaranteed for short period. Both married and single applicants considered. Give full details of life insurance selling experience. All replies confidential. Write Box K-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT ACTUARY

Opportunity for young man to join a fast growing Southeastern life company writing Ordinary Life, Weekly Premium Life and Accident & Health. Attractive salary. Some formal actuarial training and some experience necessary. Please reply, in confidence, giving summary of your education, experience and personal background to Box K-74, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SUPERINTENDENT OF AGENCIES

A Billion Dollar Southern Life Insurance Company is seeking the services of a well-qualified person between the ages of 30 and 45 to become Superintendent of Agencies, working directly with the Agency Vice-President.

To be considered, applicant should have had successful life insurance sales experience, preferably Home Office Agency Department experience and have completed career life training courses.

An attractive starting salary commensurate with experience and abilities will be paid the person selected and there will be opportunities for rapid advancement. Reply in strict confidence giving personal biographical information and a complete record of experience to Box K-89, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

A & S UNDERWRITER

This opening offers exceptional opportunity for future advancement for young man age 25-35 with two or more years A & S Underwriting experience. Prominent Midwest company. Excellent starting salary with periodic merit increases. Send complete resume and salary requirement. Write Box K-79, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GROUP MANAGERS

Large life insurance company seeks Group Managers for several major cities. Reply to Box NY-19, c/o The National Underwriter Co., 17 John St., New York 38, N. Y.

PENSION CONSULTANT AVAILABLE

6 1/2 years field experience designing, installing and administering Trusteed and all types Insured Pension Plans. Age 32, Married. Will consider Consulting Firm or Insurance Co. H. O. Mgmt. position. Will Relocate. Write Box K-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

New York A&H Chapter Hears Welch And Baskin

At the first of a series of dinner meetings to be held on the third Tuesday of each month, New York Chapter of International Assn. of A&H Underwriters heard J. Francis Welch, vice-president United States Life, describe A&H as primary insurance.

Four things can happen to the wage-earner: He can die too soon, live too long, or suffer sickness or injury. Life insurance can take care of the first two, but sickness or accident—more frequent hazards—can best be insured against by income protection insurance, Mr. Welch said.

Hill, Medill Get Awards

Leading Producers Round Table awards were presented to William J. Hill and Louis M. Medill, who head their own New York agencies. Presentation was made by Oakley Baskin, Mutual of Omaha, Buffalo, president of the international association. Mr. Baskin urged A&H insurers to sponsor legislation favoring the business, and to oppose Forand-type legislation.

Howard S. Rosan, president, presided.

MANAGER—H.O. AGENCY

A Billion Dollar Southern life insurance company is seeking a manager for its Home Office Agency. Insurance in force in the agency now in excess of \$20 million.

Applicant must be between the ages of 30 and 45, have successful personal production record, and it is preferred that he have had managerial or assistant managerial experience.

Attractive salary plus bonus arrangement will be made with the person selected.

Reply in strict confidence, furnishing complete experience record, to Box K-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE UNDERWRITER

Small fast growing midwest life company has opening for ordinary underwriter with five years experience. Administrative ability necessary. Excellent opportunity for advancement. Salary open. Replies held in the strictest confidence. Write Box K-99, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Commissioners Hold Peaceful Midyear Meeting In Florida

(CONTINUED FROM PAGE 1)

Alabama, the chairman, wondered. In Kentucky, it was reported, the department can regulate such companies when they are set up to run a mutual.

The variable annuities and pension plan funding subcommittee meeting, a day late after being crowded off the agenda Monday by a special meeting to give the commissioners a rundown on the woes of a casualty company, heard a string of industry people endorse the position of John Hancock that NAIC should regulate organizations or contracts involving mortality risks.

Harold Cleveland's Views

Harold Cleveland of John Hancock, speaking also for New England Life, said a mutual fund in Boston is developing a retirement equity trust in which pension money is invested in shares of the fund, with the option to the employee on retirement of taking his life income in the form of a variable annuity. There is a strong resemblance to a group annuity contract, Mr. Cleveland said, but the payments can vary in amount and there are no guarantees.

The Massachusetts companies are challenging this as being in fact a group annuity, he reported. The same mortality actuarial principles are involved. There is a legal question of whether this is an annuity. Earlier cases along this line in New York have determined that this type of operation constitutes doing an insurance business. Mr. Cleveland said he feels it is well established that pooling of mortality is an insurance operation, despite the argument that the absence of guarantees makes it non-insurance.

Protecting The Public

Mr. Cleveland offered a resolution for adoption by NAIC recommending that, in order to protect the public, NAIC bring under insurance regulation any investment company or other organization which offers to the public, on a commercial basis, contracts paying benefits involving life contingencies, where the mortality risks involved are pooled or distributed among a group of separate individuals or among a group which includes the employees of more than one employer, whether or not the benefits are fixed or variable in amount or guaranteed by the full credit of the offering organization.

Milton Ellis of Metropolitan Life suggested that the matter could well be considered jointly by the commissioners and the state securities administrators. There are connotations for securities people here. Mr. Ellis

said he hopes that under the SEC-NAIC regulation of variable annuities as outlined by the Supreme Court, the commissioners won't try to freeze out the state securities people. What is true on the federal level may well be true on a state level also, he observed.

Against One Man Bands

In the interest of state regulation, Mr. Ellis urged the commissioners to refrain from trying to play every instrument in the band so the other agencies possibly involved could not even have one violin.

Endorsement of the resolution offered by Mr. Cleveland was given by B. K. Sprung of Equitable Society; Ralph Armstrong of Massachusetts Mutual; Edward Parks of State Mutual; Richard Learson of Mutual of New York; C. F. J. Harrington as an individual policyholder; Manual Quail of New York Life; Taylor Bigbie of National Assn. of Life Underwriters; Richard Congleton of Prudential, and James Warfield of Paul Revere Life.

Thacher of New York said the primary concern is not who will regulate such situations but whether they are insurance. If they are insurance, he said they should be treated by the standards of the state insurance laws.

Gerber of Illinois, who had charge as chairman, agreed that the first concern is whether the plan is insurance. Once that is known, regulation of it becomes evident.

Chicago Life Assn. Sets Annual Breakfast Date

The annual breakfast sponsored by Chicago Assn. of Life Underwriters and its Council of Field Underwriters will be held Dec. 9 at the Midland Hotel. The speaker will be Earl M. Schwemm, Great-West Life manager, who will discuss "Selling In Today's Market." Mr. Schwemm is a past president of the Chicago association. Oliver R. Aspegren Jr., general agent Ohio National Life, is program chairman for the breakfast.

The Chicago association has again adopted two wards at Chicago State Hospital as its project for 1960. Gifts or cash donations will be secured to present to patients who otherwise could only look forward to a cheerless Christmas season.

William R. Balkin of Pacific Mutual Life and Carl D. Williams of Prudential, chairman and vice-chairman, respectively, of the association's community affairs committee, are handling the arrangements with the hospital. Many life insurance people have given their time and effort to be of assistance to this group since the project was adopted in 1956.

The delicate balance of harmony that prevailed through the first two days of the NAIC meeting was shattered Wednesday morning when the report of the credit life and credit A&H model bill legislation subcommittee report was presented to the parent committee on installment sales and loans. Larson of Florida presided.

The report put over all issues for further study. This brought a protest from E. A. Dunbar of Beneficial Finance and B. M. Anderson of Connecticut General Life, who deplored, after so much time and study, the absence of a decision on a bench mark for credit life premiums. W. J. Walsh of Consumer Credit Insurance Assn. and John Binning, Lincoln attorney representing three small members of CCIA, said the new idea of a bench mark deserves study and more hearings—they said their companies were threatened with extinction under the proposed 50% formula.

The attitude of the commissioners appeared to be strongly toward reaching a conclusion and putting an end

to this question. Gerber of Illinois, who has headed the subcommittee for the last two years, said it would appear the time has come for the commissioners to accept their "full responsibility" and lay down some rules.

It is understood the parent committee in the executive session adopted a resolution under which the rate would be deemed excessive if the rate filed with the policy does not anticipate a 50% loss ratio. The commissioner would, of course, disapprove the policy and not the rate, since there is no rate regulation of A&H in the strict sense of the word.

Bench Mark Proposed

At the subcommittee meeting earlier, Mr. Gerber said the proposal has been made that the commissioners have a bench mark which will enable them to make a determination of the key matter of when credit premiums are reasonable in relation to benefits. This is the battleground, but Mr. Gerber said the question has to be resolved to clarify ratemaking. The commissioners face the quandary of attempting to stay out of rate regulation in the A&S field while at the same time maintaining some rate con-

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Pacific Fidelity Life Has Non-Participating Policy

Pacific Fidelity Life has introduced its "IQ Special" whole life policy. It is marketed at what company officials said is believed to be the lowest guaranteed net cost ever offered. Purchased at age 35, the non-participating policy has a guaranteed, 20-year cash value of \$406.60, or an investment of 100%. In addition to high, 20-year cash values, earlier cash values build up rapidly. Minimum requirement is \$15,000.

Conversion may be made at ages 50 or 55 to either paid-up life at 65 or endowment at 65 without payment of any back premiums or differences in reverses and at a guaranteed rate. The policy is in booklet form with a colored, vinyl plastic cover.

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trol over the credit line. At French Lick, Mr. Gerber said, there was a compromise. The idea was to set up a loss ratio standard. The question is how to write language which will express the intention clearly and satisfactorily.

Suggests 50% Loss Ratio

Paul Boyer, representing Household Finance, suggested using a 50% loss ratio based on actual mortality or morbidity. Household Finance, he said, is perturbed over the existence of two patterns of approval of premiums—that originated in New York calling for a decremented scale from 69 cents to 44 cents, and that originated by Wisconsin calling for 75 cents. New York is too low and Wisconsin too high, he commented. Fifty cents more nearly reflects the proper payment. Household Finance has found that 30 cents per \$100 is the mortality on small loans, so a 50-cent premium would be proper.

Mr. Boyer's amendment states:

"The premium rates shall be deemed to be excessive if they are more than twice the average mortality or morbidity sustained on the same or similar policies by all companies writing credit insurance in the state. If the insurer can demonstrate that risks written through a particular creditor or risks applicable to a particular group or class of debtors sustain, or may reasonably be expected to sustain, a mortality or morbidity substantially higher than the average of all companies writing credit insurance in the state, the commissioners may approve special premium rates applicable to such particular group or class, provided, however that such special premium rates shall not be greater than twice the mortality or morbidity of such particular group or class."

John Binning, former Nebraska director and now practicing law in Lincoln, representing a number of smaller credit insurers, asked for time to study Mr. Boyer's suggestion.

Lutheran Brotherhood's Nine Month Results: Business Up Nearly 37%

Lutheran Brotherhood's issued and paid-for business during the first nine months showed an increase of nearly 37% over a corresponding period in 1957. The nine-month total this year was \$167,908,991, compared with \$122,637,234.

During the third quarter, issued and paid-for business totaled \$62,364,402, an increase of more than 38% over the \$45,088,933 in 1957. A total of 36,597 policies was issued and paid for during the first nine months, as against 26,711 in a corresponding period last year. During the third quarter, 13,283 policies were issued and paid for, compared with 9,636 last year.

The excess of income over disbursements amounted to \$14,062,565 during the first nine months, compared with \$12,718,141 last year. The net interest rate earned climbed from 4.06% in the first nine months of 1957 to 4.22% this year. For the third quarter, the rate went from 4.08% to 4.27%.

Earl Nightingale To Address D. C. Life Underwriters Assn.

Earl Nightingale, billed as "one of the most motivating speakers in the U. S.," will address the District of Columbia Life Underwriters Assn. luncheon Dec. 9 at the Presidential Arms Hotel. He will tell of his long investigation into the reasons why men succeed or fail.

The honey started to flow when R. M. Anderson of Connecticut General Life commended the subcommittee for its accomplishments. Mr. Anderson said nearly all the differences in the field of credit insurance except in the area of premium rates have been resolved. He added he believed most people would agree with Mr. Boyer's idea of 50% loss ratio.

Pru Likes N. Y. Formula

Donald MacNaughton for Prudential, admitted that his company has been a self appointed spokesman for a number of the credit insurers, doing so as a pioneer and large writer, said Prudential still believes the New York formula is the proper one, but he had no objection to the proposal of Household Finance.

The report of the subcommittee "set over" the amendments and the ques-

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tion of a bench mark for further study.

Passé Club Meets

The Passé Club, the organization of former commissioners, held a historic meeting at Miami Beach. New officers were elected for the first time since the club was revitalized 12 years ago.

Meetings of the Passé Club are conducted at the midyear gatherings of NAIC. They are great events. The rules forbid seriousness, and the members have a command bond that seems to inspire. If NAIC is in the process of shifting gears, as it is on this occasion, the Passé Club meeting is for many the highlight of the entire convention.

Dignitaries Are Introduced

M. J. Harrison of Little Rock presided as president and introduced the dignitaries at the head table. Howard Brace, Occidental Life (retired), the secretary, reported the club now has 193 card-carrying members. Growth has been spectacular beyond the most optimistic expectations, he said. Seventeen new members have found themselves enrolled since the last meeting. Seven of the new members were on hand to take their bows.

Mr. Brace concluded by saying this was his last report, and as he took his seat he was given a spontaneous standing ovation.

Hammel Gets Gavel

Robert Taylor, Mill Owners Mutual of Des Moines (Oregon), who three years ago was president of NAIC and on the receiving end, presented a gavel to NAIC's current president, Paul Hammel of Nevada. Mr. Hammel pulled a surprise by presenting to Mr. Harrison a beautiful painting of the free spirit achieved by commissioners when they leave office.

Mr. Harrison told the group that an election had been held the day before, in the finest democratic manner. He explained that in 1957 he and Mr. Brace appointed a nominating com-

mittee and the committee let the officers give their farewell addresses and accept parting gifts before reporting a reelection. This time the new officers were definitely known.

John Lloyd, president Union Central Life, who wowed the Passé Club with an address before the 1958 meeting in New Orleans, is the new president of the club. He recalled in his acceptance speech some of the early days of the original club when it was run by Col. Joe Button of Virginia and Vic Berry of Michigan.

J. R. Maloney, San Francisco attorney, becomes the new executive secretary. Mr. Harrison was made president emeritus for life and Mr. Brace received the title executive secretary emeritus for life.

New Jersey A&H Assn. Hears Forrest On Agent's Need To Believe In Product Value

John M. Forrest, Akron, general agent of Mutual of Omaha, told New Jersey Assn. of A&H Underwriters that new agents are often not indoctrinated sufficiently to realize that their work is to secure signed applications rather than to sell an idea.

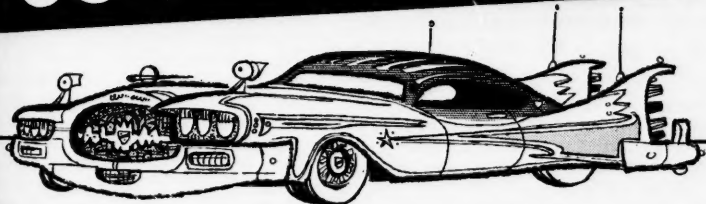
Many new men do not realize they are in business for themselves because of the interest they own in renewal aspects of each policy sold, Mr. Forrest added.

He called intensity of purpose the most important quality in an agent. This, he said, should not be confused with high pressure selling methods, which may be based on insincerity. He emphasized agents' belief in product value and service to the public.

The agent's intensity of purpose will become clear if he realizes that at the point of sale no one can solve the prospect's money problems caused by disability, except the agent presenting the plan of coverage.

Seattle Life Managers Assn. heard Hugh S. Bell at its November luncheon at the Washington Athletic Club.

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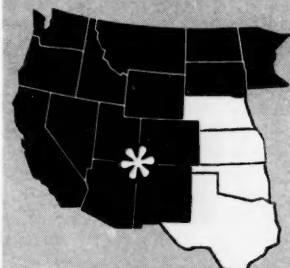
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accident insurance is just as great today. (Last year nearly 10 million people were accidentally killed or injured in America.)

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